

PACIFIC PULP & PAPER INDUSTRY

THE SPIRIT OF THE TIMES

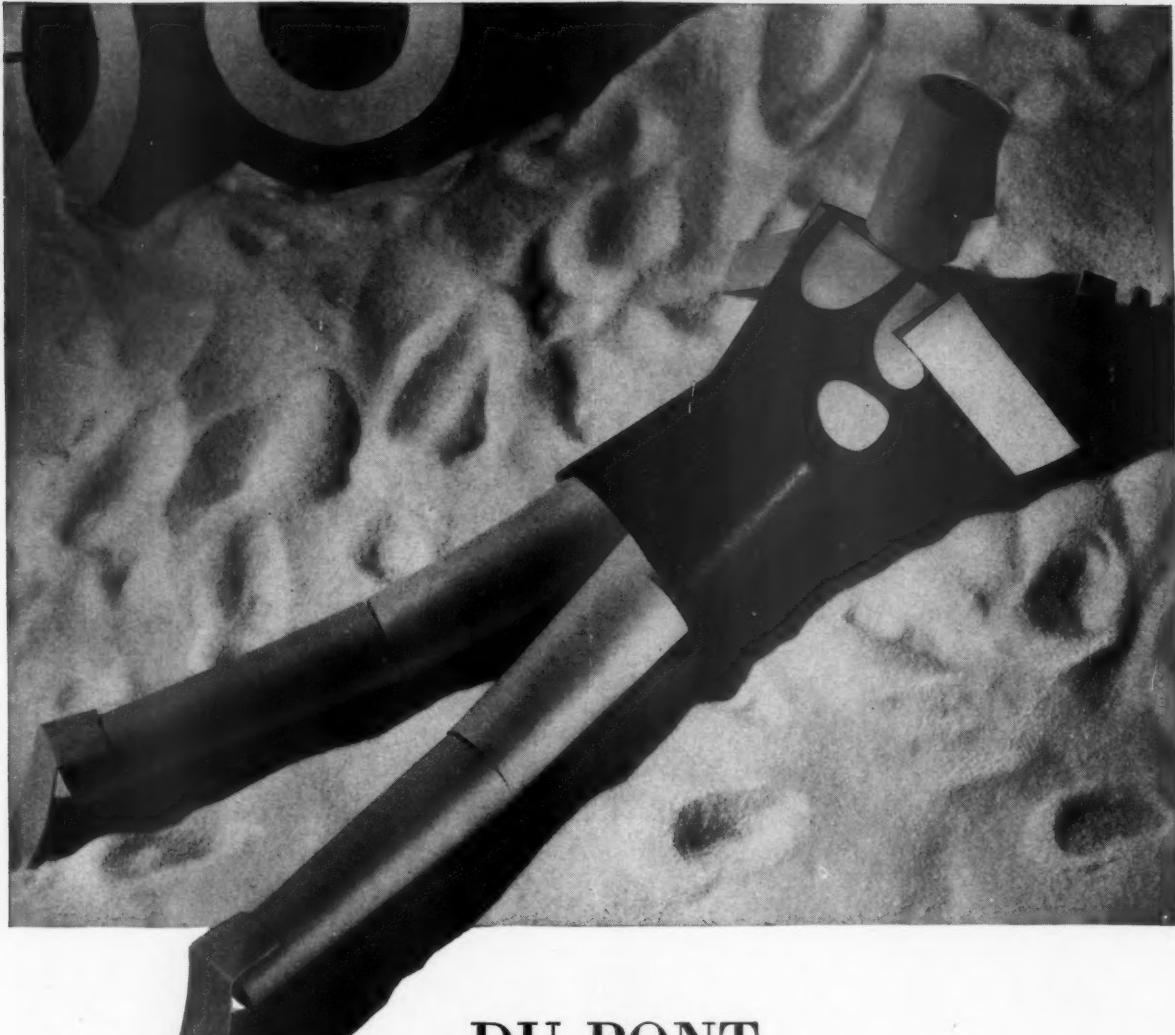


Above is an adaptation from a widely syndicated cartoon. The figure of Uncle Sam appearing in the original has been replaced with one of the newspaper publisher. It must be said that not all publishers are willing purchasers of foreign newsprint, their contracts for paper being transferred to foreign mills whether they liked it or not. Some members of the American Newspaper Publishers' Association are not in sympathy with its opposition to depreciated currency legislation. However, as they permitted their association to go on record against this legislation they are a party to this crime against American industry.

They can and should put a stop to domination of the policies of this association by foreign interests.

FEBRUARY • 1933

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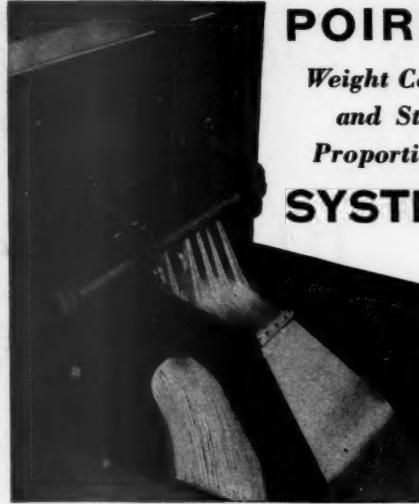


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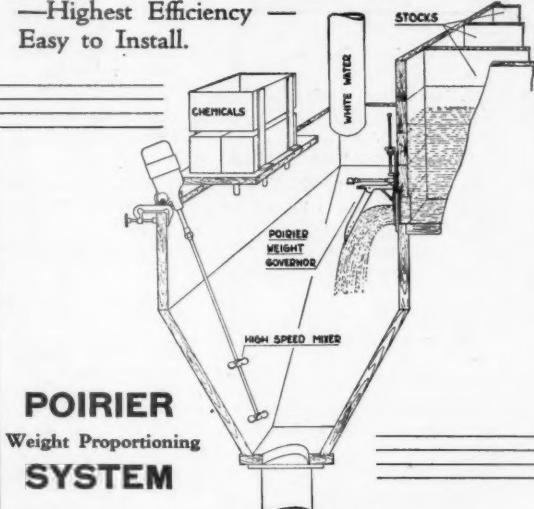
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PULP and PAPER
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Vol. VII

FEBRUARY, 1933

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SEATTLE—

71 Columbia Street

NEW YORK—

25 W. 43d Street

SAN FRANCISCO—

369 Pine Street

Other offices at 446 Morrison St., Portland, Oregon, and 124 W. Fourth St., Los Angeles.

Published by the Consolidated Publishing Co., in Seattle, U. S. A., on the 15th of each month—semi-monthly in April.

SUBSCRIPTION RATES

United States and Canada.....	\$4.00
Other Countries.....	\$5.00
Single Copies.....	\$.35

NEWSPAPER PUBLISHERS KNIFE DEPRECIATED CURRENCY BILL

By MILLER FREEMAN

At the very moment when thousands of American industrial and labor leaders were beseeching Congress to afford relief to idle plants and idle men from unfair foreign competition made possible by depreciated currencies, the powerful American Newspaper Publishers' Association with callous disregard for the plight of American industry and American workmen, treacherously knifed in the back the pending legislation in Congress.

In this traitorous work they did not appear openly or in person, but made their attack through the back door with a written statement filed Jan. 27 by their attorney with the House Ways and Means Committee, opposing passage of depreciated currency legislation.

Out of the welter of hypocritical patriotic editorials and campaigns, the newspaper publishers have now emerged in their true colors.

The newspapers were the only interests of consequence, other than self-concerned importers, that came before the Committee in opposition to this legislation.

"For more than twenty years," said the statement (see next page), "newsprint and its component elements have been on the free list for two reasons: (a) The decreasing supply in the United States and (b) as a measure of conservation of our natural resources."

The decreasing supply of newsprint in the United States is not due to depletion of raw material sources, but to increasing unrestricted imports from foreign countries and lack of patronage of the American product by newspapers. According to government statistics and from the American Paper and Pulp Association, domestic newsprint production amounted to 1,305,000 tons in 1913; imports to 220,000 tons. By 1926 American production had increased to only 1,684,000 tons, but imports had risen to 1,851,000 tons. Since then American production has fallen to 1,157,000 tons in 1931, while imports continued to increase to 2,067,000 tons.

The newspapers have joined hands with foreign manufacturers in stifling the American industry and preventing further expansion.

Conservation Misinterpreted

The intimation that newspapers must buy foreign newsprint to save our forests is silly. The old Pinchot theory that we ought to lock up our forests to save them has been proved wrong for twenty years. The way to conserve our forests is by intelligent logging, accompanied by systematic

CURRENCY BILL SUFFERS TEMPORARY DEFEAT

On coming to a vote in the House of Representatives Feb. 13, the Hill-Crowther depreciated currency bill was defeated.

Another and final effort is to be made to get action at this session, through an amendment to the federal tax bill introduced by Senator Hatfield of West Virginia.

Defeat of the Hill-Crowther bill was partially due to its vigorous denunciation by Robert L. O'Brien, chairman of the tariff commission, to whose testimony Representative Crowther referred with the assertion that "even if the entire democratic membership is so comforted, it does not lessen the truthfulness of Mr. O'Brien's statements."

forestation. So used, they are sufficient to meet our national requirements for wood and wood pulp indefinitely.

Report of the Forest Service made Sept. 1, 1932 says: "The area of forest land in the United States is not diminishing, but increasing." It further says: "One of the principal objectives is to make the United States self-sufficient in these materials. Last year's imports of pulp and paper had a value of approximately \$250,000,000. Translated into terms of employment this means the equivalent of full-time jobs for 47,000 American workers, to say nothing of their importance from the standpoint of better forest-land use."

The letters assumes that "if the fundamental reasons for placing newsprint paper on the free list were sound 20 years ago, they are even more sound today..." The fundamental reasons were political. They were not sound 20 years ago. They are not sound today. The proof is in the increase of imports and the decrease of domestic manufacture.

Nevertheless, depreciated currency legislation does not contemplate taking newsprint from the free list; it merely provides for an equalization of monetary exchange values. Its opponents try to cloud the issue by branding it a tariff.

Facts Distorted

The newspaper association attaches great importance to unbleached sulphite and the expansion in this manufacture in the Pacific Northwest, endeavoring to establish, by innuendo, that the demand for legislation comes from a limited group in a limited locality on limited products. They fail to recognize that the problem is national or to mention the plight of Mid-

dle West and Eastern mills. They neglect to say that unbleached sulphite constitutes only 20 per cent of newsprint paper.

The problem is not confined to newsprint and pulp alone, but involves all major lines of industry and labor in America.

Regarding competitive prices their letter says, "As of this week, Scandinavian unbleached sulphite is selling in New York at from \$32 to \$34 per ton. Little of it is moving, because the Pacific Coast manufacturers have established a price on the same commodity in our eastern seaboard market of from \$26 to \$28 per ton." This is a complete distortion of the facts. On the date of their letter, Jan. 27, quotations on imported pulp ex dock New York, were \$27 to \$33, according to the Daily Mill Stock Reporter. Quotations f. o. b. pulp mills on domestic pulp were \$28 to \$32. For fair comparison, to the latter figure must be added \$6 per ton for freight from mills on the Pacific Coast to the eastern seaboard. The opponents of this legislation state that "during the 12-month period ending Sept. 30, 1932, there was a decrease of 14.4 per cent in the importations of foreign unbleached sulphite and a decrease of 5.4 per cent in the importations of bleached sulphite as against the previous 12-month period." They do not state whether their figures are based on quantity or value. Their figures do not agree with the following figures based on quantity as shown by import data of the Bureau of Foreign and Domestic Commerce, and production and shipments statistics from the American Paper and Pulp Association.

Between 1931 and 1932, domestic shipments of unbleached sulphite to unaffiliated purchasers declined 34.5 per cent, but total imports dropped only 13.9 per cent. While imports from Canada fell 40.3 per cent, those from Norway, Sweden and Finland decreased only 12.5 per cent. At the same time, imports from other countries rose 31.4 per cent.

Domestic shipments to unaffiliated purchasers of bleached sulphite dropped 39 per cent from 1931 to 1932, while all imports were lowered by only 3.6 per cent. Imports from Canada decreased 17.6 per cent, but those from Norway, Sweden and Finland increased 32.7 per cent. Imports from other countries dropped only 7.5 per cent.

These facts definitely controvert the claim that "there was a decrease particularly in the amount of pulp imported from those countries with depreciated currencies", and refute the

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unsupported, unexplained figures of the newspaper association.

Protest Entirely Selfish

The newspaper association statement continues: "The fact is established and cannot be controverted that the American manufacturers of pulp, without the benefit of protection and notwithstanding the depreciated currencies of other countries, are able to undersell their foreign competitors in the American market."

This is plain perjury, if it be admitted that the American mill operator is entitled to operate at a profit and pay decent wages to his workmen. Did domestic production drop because their prices were too low? There isn't a mill in the country, unless producing a specialized product that is running except on a rate which merely keeps the workmen and their families from starvation. The crux of the newspapers' protest against this legislation is that they would not be able to get the benefit of the artificial advantage which they now enjoy through depreciated exchange. They want this for themselves, whether or not American industry and production are wrecked.

The newspapers ask that the bill be killed; or if not, that newsprint be exempted. They utterly disregard the pleas of the many thousands of citizens whose businesses are being ruined and who are being deprived of employment through this abnormal situation, which every other country has promptly and effectively corrected.

The newspapers didn't even think it worth while to recite the facts, or put up a consistent argument. They simply moved in on Congress demanding they be given special consideration as a privileged class, entitled to exemption, and without regard to the devastation caused by the demoralizing of the price and wage structure of America.

The newspapers—selfish, hypocritical, flag-waving, avaricious and venal, have filed a record that many will con-

sttrue as branding them the enemies of America.

What can be done to make the newspapers recognize their responsibility to the country? The purpose of the authors of the Constitution of the United States in guaranteeing "freedom of the press" was that the newspapers might be guardians of the liberties and rights of the people. They have transferred that privilege into a cloak for license behind which they shield themselves in their utterly selfish schemes of exploitation.

The daily press has won fair title to the epithet "the most selfish class in America."

For the few million dollars they save by the present unfair exchange conditions they are willing to have foreigners invade our markets, shut down our plants and throw millions of workmen out of employment.

What If Boycotted?

What would happen to the newspapers of America, so dependent on the public for support, if the people in their indignation at being deprived of their right to make a living, should refuse to buy or advertise in papers using foreign newsprint?

This journal does not advocate the boycott. It believes this problem should be dealt with by legislation. We are for legislation that will deprive foreign countries of this unnatural trade weapon. Nevertheless, if the boycott were applied to the newspapers, it would not only be giving them a dose of their own medicine but would be fair retribution for blocking legislation so vitally needed to save American industry and production from collapse.

The newspapers exhort the individual to buy only home-produced goods, even though the foreign article may save him money.

The merchant caught without warning with a stock of foreign goods becomes the victim of the crusade "Buy American", which is being pushed with

all the bigotry and intolerance of the inquisition. He is helpless and must stand his losses without a whimper, else he is in danger of being branded a traitor and his business ruined.

After all, the people have a right to ask that the policies of the papers they support shall be in their own interests, the interests of this country, and not in behalf of foreign nations.

The publishers' statement closes: "This association does not feel that it is called upon to discuss the effect of this measure on any industry other than those particular industries with which it is directly identified and has business relationships." Thus the newspapers show their callous indifference to the welfare of all other industries and producers.

The people engaged in the forest industries of both the Pacific and Atlantic will long have cause to remember that it was the inhuman oligarchy in control of the press of the United States that led the fight to prevent Congress passing this legislation at this session. The press is not ignorant of the impending disaster to the pulp and paper industry. It knows full well plants must close, companies will be forced into bankruptcy, merchants and supply concerns ruined, and thousands of workmen deprived of the opportunity to make a living for their families. Yet it has voted to turn over the domestic markets to foreign countries with prices below our cost of production through the advantage of their depreciated currencies.

No anathema is too severe to be applied to that element of the metropolitan press responsible for this national crime.

Loyal Newspapers Exempted

We wish to specifically exempt from our criticism those newspaper publishers who realize that any advantage they may gain by buying their newsprint from countries having depreciated currencies is more than offset by their losses in patronage, and who have loyally supported the pending legislation.

Statement of Newspaper Publishers Association

Washington, D. C.
January 27, 1933.

The Committee on Ways and Means,
House of Representatives,
Washington, D. C.

Sirs:

The American Newspaper Publishers Association, included in the membership of which are publishers of daily newspapers throughout the United States, appreciates the privilege afforded by your committee of filing this memorandum on H. R. 13999, now under consideration.

For more than 20 years newsprint paper and its component elements have been on the free list for two reasons: (a) The decreasing supply in the United States, and (b) as a measure of conservation of our natural resources. At the present time, American manufac-

turers of newsprint paper have a total capacity slightly in excess of 1,500,000 tons per annum. American consumption of newsprint paper in 1932 was the lowest in a period of years, but even so, the consumption was in excess of 2,800,000 tons, so it is patent that American publishers are compelled to buy a great portion of their raw product abroad. In normal times American capacity is only about 40 per cent of American consumption.

By far the greater portion of imported newsprint comes from Canada and Newfoundland. Only a relatively small proportion comes from European countries, but the measure which is now pending before you, if enacted into law, would place in effect the equivalent of a duty of 15 per cent on all newsprint paper imported from Canada and even larger duties on newsprint

paper imported from Europe, notwithstanding the fact that it is utterly impossible for American production to take care of American demand.

Therefore, if the fundamental reasons for placing newsprint paper on the free list were sound 20 years ago, they are even more sound today, because the demand has increased greatly over the period since 1912 and the supply has diminished.

Two courses are suggested with respect to the application of the provisions of the pending bill which would meet this particular situation. One is that the bill should not be enacted into law, and the other is that if it be the judgment of the Congress to enact the measure into law, that it be so amended as to exempt newsprint paper and its component elements from the application of the act.

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One of the principal component elements of newsprint paper is unbleached sulphite. During the period that newsprint and its component elements have been on the free list there has been a tremendous expansion in the mill capacity for the manufacture of wood pulp and sulphite, both bleached and unbleached in the Pacific Northwest states of the United States. Starting from little or nothing in 1912, by 1925 the Pacific Northwest had capacity of approximately 1,500,000 tons of pulp and in the period between 1925 and 1932 its capacity was expanded to upwards of 4,000,000 tons. While this expansion was taking place raw materials elsewhere in the United States were diminishing.

Like all other industries at the present time, the Northwest pulp manufacturing industry is suffering from conditions of world-wide depression, but, even so, that industry without the benefit of a tariff, or of protection in a form such as is proposed in this bill, today is able to undersell the world in the American markets. The Northwest manufacturers of pulp have practically excluded Canadian pulp from the American market by selling their product at a price lower than Canada can produce it. Likewise, they are today underselling European pulp in the American market. Other American producers can not meet their prices.

As of this week, Scandinavian unbleached sulphite is selling in New York at from \$32 to \$34 per ton. Little of it is moving, because the Pacific coast manufacturers have established a price on the same commodity in our eastern seaboard market of from \$26 to \$28 per ton. The Northwest manufacturers have large concentration warehouses, so as to supply all demands promptly. It is clearly apparent, therefore, that without the benefit of protection either in the tariff law or such as is proposed in this measure, the American producer from the Pa-

cific Northwest is able to undersell his foreign competitors in the American market and that the only effect of this bill will be to give the Pacific Northwest producers the opportunity of increasing their prices at the expense of the American consumer and to the disadvantage of other American pulp producers.

A definite effect of this measure, if it is enacted, will be to eliminate the eastern and New England pulp producers from the domestic market entirely. By reason of the price war inaugurated by the Pacific Northwest producers in 1930, eastern producers of pulp have already been practically driven out of the market on unbleached sulphite and are rapidly being excluded from the market on bleached sulphite.

New England mills are not offering unbleached sulphite in any quantity at all now and their production of bleached sulphite, on which the Pacific Northwest producers undersell them, has been reduced to about 33 per cent of capacity.

During the last few weeks there has been a great deal of propaganda emanating from the proponents of this measure. This propaganda alleges that countries now operating on a debased currency are flooding the American market with pulp. The facts are, however, that during the 12-month period ending September 30, 1932, there was a decrease of 14.4 per cent in the importations of bleached sulphite as against the previous 12-month period. There was a decrease particularly in the amount of pulp imported from those countries with depreciated currencies.

Over the period from 1925 to 1931, the proportion of foreign pulp to domestic pulp decreased from 29.8 per cent foreign pulp and 70.2 per cent domestic pulp in 1925 to 26.8 per cent foreign pulp and 73.2 per cent domestic pulp in 1931, and, as pointed

out heretofore, there was a still further decrease in the amount of foreign pulp imported in 1932. Only last year the advocates of this measure sought to have a duty placed in the revenue law for the protection of Pacific Northwest pulp. It was demonstrated to the Finance Committee of the Senate at that time that the advocates of a duty were then underselling the world in American markets. The item was not included in the revenue bill. The situation has not changed since. Without protection they are still underselling the world in the American markets and the manufacturers from the Pacific Northwest are even underselling other American producers in American markets nearer to their competitors.

This association does not feel that it is called upon to discuss the effect of this measure on any industry other than those particular industries with which it is directly identified and has business relationships. Whatever the arguments may be that are advanced in favor of the bill in behalf of other industries, the American Newspaper Publishers Association can see no valid argument for the enactment of a law which will upset the long established policy of maintaining newsprint paper on the free list, when it is apparent that American production cannot supply American demand. Nor do they see any valid reason for removing from the free list the component elements of newsprint paper when the fact is established and can not be controverted that the American manufacturer of pulp, without the benefit of protection and notwithstanding the depreciated currencies of other countries, is able to undersell his foreign competitors in the American market.

Respectfully submitted,

AMERICAN NEWSPAPER
PUBLISHERS ASS'N,
By Elisha Hanson, Its Attorney.

THE TARIFF BUGABOO

—fallacy concerning depreciated currency legislation and its gross inaccuracy should be emphasized for the benefit of the word-mouthing opponents of the Hill and Crowther bills, who have hollered "tariff increases", "restriction of foreign trade", and "prohibitory duties" until they begin to believe it themselves.

Depreciated currency legislation does not contemplate setting up new tariffs. Its purpose is not to restrict foreign trade. Enactment of this legislation will merely restore normal competitive conditions in our domestic market between American manufacturers and those in foreign countries. It will take away no inherent trade right of our foreign neighbors, but will only take from them the unfair trade advantages gained from the depreciation of their national currencies.

Their competitive position in the United States market will simply be replaced on a par currency, pre-depression level. They will be deprived of no export market here except that due solely to their currency advantage. It will place all countries, no matter what the status of their currency may be, on an equal competitive basis in our domestic markets.

For example: an American producer's price is \$1.00, and a foreign manufacturer can just equal that price in our markets in normal times. The currency of this

country depreciates to an extent which enables him to sell the same product here for 70c in American gold, for which he gets still \$1.00 in his money, as before. This 30c differential is his trade advantage. It permits him to undersell the American manufacturer in his home town. It is skin off the hide of American workmen.

Currency equalization would levy 30c fee on his product, assuming that production costs, wholesale price indexes, etc., had not risen in proportion to the money debasement. The foreign producer will still get \$1.00 in his money for his product; American manufacturers will again be able to compete on a normal price basis; American labor will once more be permitted to earn a livelihood. The 30c trade advantage formerly held by other countries will go into the American treasury instead of to foreign producers to enable them to cut prices below American costs of production.

NATIONAL ASSOCIATION PLANS ABANDONED

It is understood that since the American Paper and Pulp Association has taken a definite stand on the question of depreciated currency, the move to establish a new national association within the industry has been abandoned.

PATRIOTISM FOR REVENUE ONLY

A Play of Modern Times

SCENE—The luxurious lounge of the Big Four Club.

CHARACTERS

JAYPEE—An international banker.

BONAPARTE—A big-time daily newspaper publisher.

ALLFLAGS—An importer.

LOCUST—A foreign lobbyist.

JAYPEE—The foreign loan business is all shot to hell.

BONAPARTE—Don't look at me! Can't you see the American flag on the front page every day? And don't I shout "no cancellation"?

ALLFLAGS—For public consumption. Which reminds me, Bonaparte, they've given labor another squeeze over there, so it looks like we could shade your contract for newsprint next year.

BONAPARTE—Not so loud. Our advertisers will hear you and holler for lower rates.

JAYPEE—Don't mind them. Just tell 'em your fixed charges are high, and with volume down you can't hardly meet your interest.

LOCUST—Besides, they should be grateful to you. You're doing them a big service preaching bigger and better shopping days and "buy at home."

BONAPARTE—Say, Allflags, we've got to figure out the divvy again on this exchange premium. Your old Pound Sterling is leading the parade of money downhill.

ALLFLAGS—Aw now, Bonaparte, give us a chance for a while. This depreciated currency business is the best thing that's come our way in many a year.

LOCUST—You got to be careful about that subject. The crowd's beginning to grumble.

BONAPARTE—Don't look at me! I haven't said a word yet. Haven't I been smoking it up by blunting my pen on our high tariff walls? Can't you see me front-paging "free trade?"

ALLFLAGS—for public consumption. And why shouldn't you, when you're buying two million tons of foreign newsprint every year?

BONAPARTE—We must have cheap paper. There must be no throttle on the press. We are the voice of the people. We are the backbone of the nation. We sell patriotism—

VOICE (in an aside tone)—and buy everything abroad.

CHORUS—What's that? Who said that? (ALLFLAGS addresses a lounge steward who is working nearby) —Did you say something, steward? Mind sharp now or I'll have you discharged.

STEWARD (whose back is partly toward JAYPEE, bows low to ALLFLAGS)—Sorry, sir. I didn't say anything, sir.

JAYPEE (reprimanding)—Steward, your uniform is patched in the seat. It's not presentable for this lounge.

STEWARD—Sorry, sir, but it's the best I've got. They—they—they've cut the wages again, sir.

JAYPEE—Humph! Here (hands dime), take this my good man, and run along now.

LOCUST—As I was saying, there's too much clamor going on about depreciated exchange. Manufacturers here say they are being put out of business by cheap imports.

BONAPARTE—Our local manufacturers got to learn more efficiency.

BONAPARTE (continuing)—I wish advertising would get better. The retailers tell me trade is way off because the factory payrolls are very low.

ALLFLAGS—The retailers have to learn more efficiency, too. Why, they never could buy so cheap. I'm giving them all kinds of goods now from across the water. And prices? I can get over any old tariff with depreciated exchange and still knock the spots off the home stuff.

LOCUST—There's too much noise about depreciated currency competition. Too many folks beginning to believe there's something to it. Getting harder to get the ear of Congress.

BONAPARTE—Don't worry about Congress. We've got the stuff that can smother upstart politicians. We'll wave the flag some more.

LOCUST—You can't sell if you won't buy.

JAYPEE—And how can the borrowing nations pay their debts if we don't open our markets?

ALLFLAGS—This depreciated currency isn't any advantage anyway. "When a nation goes off the gold standard the internal prices tend to rise and equalize competitive conditions."

JAYPEE—Yes, that's it, that's it. Says that in the book, doesn't it?

BONAPARTE—In the revised edition? Reminds me, I've got to fire our economist. Getting radical.

CHORUS OF THREE—World's getting radical. Let's go home and wait for the depression to blow over.

(They leave the club. On the street two tattered men accost them for alms).

LOCUST—This sort of thing shouldn't be permitted.

ALLFLAGS (buttoning up his sealskin collar, speaks sternly)—Men, you are paying now for your improvidence of the past. You must be lazy fellows. A good man can always get a job.

BONAPARTE—Who are you?

THE TWO BEGGARS—We are American citizens asking only a chance to do the jobs that are necessary to be done in America.

BONAPARTE—Treason! Anarchy! Imposters! You are threatening revolution! This dangerous conspiracy aimed at our noble institutions should be suppressed in the name of public welfare! The American flag must be protected!! Disperse! Beat it! Get out!

JAYPEE (aside to Bonaparte)—Not so loud. (To the men) Here, my good man. Here's a dime. Take good care of it.

CURTAIN

AMERICAN PAPER & PULP ASSOCIATION ENDORSES CURRENCY EQUALIZATION

Finally realizing that the enactment of appropriate legislation to provide for depreciated currency equalization is vital to the continuance of the industry, the American Paper and Pulp Association has officially endorsed the movement for legislation such as this journal has urged for the past year.

After a careful study of the situation, the Executive Committee found that (1) no effectual balance of exchange rates and production costs, as indicated by wholesale price indexes, has occurred in pulp and paper producing countries whose currencies have depreciated; (2) the general competition from depreciated currency countries is tending rapidly to increase in the United States at the expense of domestic industry; (3) depreciated currency has affected the sale of paper through depressing national purchasing power; (4) chemical wood pulp imports from countries with the greatest depreciation have increased in tonnage in 1932 as against 1931, or have decreased least in comparison with domestic production and imports from other countries, and that their prices are below American production costs, forcing domestic mills to shut down; (5) American purchasers are becoming increasingly dependent for chemical wood pulp upon Norway, Sweden and Finland, the pulp exporting countries with the greatest currency depreciation; (6) there can be no stability of domestic paper prices until pulp prices are stabilized, and this can be accomplished only by equalization of exchanges.

The committee urged the adjustment of the equalization fee not only upon currency depreciation, but also upon the relationship between it and production costs.

Fallacies of Opponents Exposed

In an eight-page supplement to the association's January monthly review, critical comment is made of the more important errors in fact and reason contained in a brief entitled "Wood Pulp", a statement issued by the Temporary Committee Opposing Tariff on Wood Pulp", which purports to show that:

1. "A tariff duty or tax of any kind levied only on imported wood pulp is against the best interests of the domestic pulp and paper industry.
2. "The domestic wood pulp industry does not need protection.
3. "Depreciated currency in wood pulp producing countries has not adversely affected the United States wood pulp producers."

The association report states that the brief referred to gives an "erroneous impression of the American industry and particularly of the regional development in the Pacific Northwest which is singled out for especial attack."

All Industries Affected

The report points out that the pulp and paper industry is but one of many seriously affected by depressed currency competition; that proposed measures are designed to protect all industry and agriculture; that permanent tariffs or prohibitory duties are not contemplated. Currency depreciation in pulp producing countries began in September and October, 1931, it says, but changes in volume of shipments did not occur until the first quarter of 1932, because of contracts

in effect. However, prices quoted on pulp for future delivery were immediately affected, and from September, 1931, to February, 1932, dropped about 25 per cent, during the fight for new contracts. The countries with the greatest depreciation were the most successful competitors.

While prices remained fairly stable after the initial declines, they were below the costs of production in American mills, and domestic sales dropped as consumers shifted to foreign pulp.

Wholesale prices usually rise as currency depreciates, the association report continues, but in this case have not done so in ratio, so that Norway, Sweden and Finland have at least a 20 per cent cost advantage over the American producer.

By means of carefully prepared tables based on government figures, the association shows the falsity of the statistical data broadcast by the opponents of protective legislation, and demonstrates that imports of pulp from debased currency countries either increased during 1932, or decreased less than total imports, or domestic production.

In response to the claim that prices of domestic pulp were lower than prices of imported pulp, the statement says, "Certainly domestic shipments did not decrease because the price was too low! It is more reasonable to think that purchasers could obtain imported pulp at lower prices. Otherwise, a boycott on domestic pulp must have existed."

The failure of the Tariff Commission to accurately analyze the situation, is attributed to the fact that the commission studied a period of six months immediately following depreciation, before new contracts were made and before the effects of money debasement were felt.

Pacific Northwest Defended

Controverting the references in the opponents' brief to the development of the industry in the Pacific Northwest, the association supplement shows that the shift to the Northwest has been one of "a logical series of shifts in view of the development in technique", required because of the availability of low cost pulp wood in this region, making necessary the expansion on the Pacific Coast.

The association statement concludes:

"These comments have been confined chiefly to the broader aspects of the brief; they do not attempt to analyze such questionable statements as the dependence of mills in Illinois and Indiana upon pulp imports, the supposition that the equalization fee would encourage western pulp manufacturers to extend paper production, the computation of the amount of equalization fees, price control by domestic producers, the relation of pulp production trends to those of steel and other commodities and other statements of a similar nature too numerous to list, for the opinionated and suppositional evidence is apparent. The brief is hopelessly weakened by the errors in fact and reasoning. Its publication as an authentic discussion of conditions in the pulp and paper industry is unfortunate."

Official support of the demand for relief from depreciated currency competition by the American Paper and Pulp Association, is a commendable and forward step, and should do much to help the industry in its fight for existence.

Chairman of Tariff Commission Opposes Depreciated Currency Correction

O'Brien's Argument Means That Solution Is to Cut American Wages and Living Standards to European and Asiatic Levels

ROBERT L. O'BRIEN, chairman of the tariff commission, is definitely opposed to doing anything to help restore prosperity in the United States by correcting the depreciated currency situation. He recently appeared before the sub-committee of the Ways and Means committee at Washington in opposition to a bill aimed to correct the devastating effects of debased foreign moneys.

The Seattle Post-Intelligencer in its issue of February 4 published the following article written by L. E. Hill, its financial editor:

Commenting on the appearance of Robert L. O'Brien, chairman of the tariff commission, before the house ways and means committee in opposition to the Hill depreciated currency bill, Miller Freeman yesterday called attention to the fact that it was O'Brien who defeated similar legislation before congress a year ago.

Freeman served last year as chairman of the committee on foreign exchange of the national banking and industrial committee, under appointment of the president, with broad powers to conduct an investigation of the effects of imports from countries having depreciated currencies, and to make recommendations for corrective legislation.

"When Commissioner O'Brien described the proposed legislation as 'silly,'" said Freeman, "he cast a reflection on all those elements of American industry, American agriculture and American labor which have joined forces to secure relief from a situation that is rapidly approaching a national disaster. His denunciation is bound to arouse a storm of indignation throughout the country."

"O'Brien said that the depreciated currency evil was being 'adjusted,' as prices in the United States are falling and thus placing Americans in a better position to compete with foreigners for the American market. It is unfortunate," said Freeman, "that O'Brien was not asked to tell the committee just how much lower American costs and wages should be depressed 'to compete with foreigners in the domestic market.' They are now being driven down to the lowest standards of peonage and Oriental labor."

"O'Brien repeated the assertion made last year that conditions would be corrected in time by the rise of costs and wages in foreign countries having

debased currencies, and that such readjustment is now taking place with great rapidity. The fact is that not only has there not been any such rise, but the tendency of costs and wages in these countries has been downward.

"Far from being corrected, as O'Brien claims, the situation is rapidly growing worse. Additional countries are depreciating their currencies for trade advantage. South Africa has gone off the gold standard. The premier of New Zealand has just announced that he depreciated the currency of his country in order to enable their farmers to beat competition by selling their crops abroad. New Zealand dairy products are now being shipped to this country with quotations that will demoralize the entire price structure of the dairy farmers.

"O'Brien urged that the tariff commission be given broad powers to meet the depreciated currency factor in 'specific cases.' It is feared that this would mean preferential treatment of certain selfish interests, at the expense of American industry and production as a whole.

"Under the present set-up of the tariff commission it has been proved extremely difficult for distressed industries to secure relief. Some industries have applied to the commission months ago, without securing action. The principle is wrong in having to wait until the crime is committed before undertaking action, and then placing the burden of proof on the American manufacturers and producers, many of which are unable to support expensive lobbies, with the accompanying heavy costs of the hearings and subsequent investigations."

It is the opinion of Freeman that O'Brien is either incompetent or out of sympathy with the domestic manufacturer and producer, and that he should be asked to resign. The tariff commission as at present constituted favors the importer and to the disadvantage of the American producer.

"The attitude of the chairman is destroying the confidence of the people in the tariff commission.

"The Hill bill favors no special interests but automatically corrects the differential in currencies on all imports. Practically every other country has taken like action to protect its home markets."

O'BRIEN SACRIFICES HOME INDUSTRIES ON ALTER OF FOREIGN TRADE

Following the appearance of Robert O'Brien, chairman of the Tariff Commission, before the subcommittee of the ways and means committee in opposition to depreciated currency corrective legislation, William D. Welch, published the following editorial in his Port Angeles Evening News:

HONORABLE JACK GARNER,
House of Representatives,
Washington, D. C.

Following the un-American utterances of Robert O'Brien, chairman of the tariff commission, before the House subcommittee on depreciated currency legislation, and your procrastination and gesture towards killing the Hill and Crowther bills, the entire Pacific Coast gasps in amazement and demands to know why we are being made commercial and human sacrifices to the gods of foreign trade when our leaders should be moving Heaven and Earth to keep United States citizens instead of quarreling with them.

O'Brien voiced treason to the flag that protects his hide and his fortune when he scornfully referred to currency correction legislation as "silly". He testified that currency would correct itself by American costs, American wages and American living conditions being battered down to parity with those of other nations. He doesn't want currency levelled by legislation. He wants it "ground" out of the American workingman who help pay his salary. He wants it created by scuttled American shipping and fisheries, closed American business and banking houses, crippled American industries and farms, and hungry American citizens. He spreads his protecting arms around debased currency nations and give the people who pay his wages a resounding kick in the trousers. He is willing to turn over the precious domestic trade of his people to strangers, unless his people degrade themselves to the unthinkable living and working conditions existing in the Oriental fishing sampan, the Soviet convict camp or the Hindu hut. And if Mr. O'Brien thinks American citizens are going to stand for that kind of treatment he is crazier than a coot.

He tells you the balance of international trade is in America's favor. Certainly it is. Why wouldn't it be, with our United States customs figuring tariff on the basis of invoices supplied by shipping nations; figures juggled to dive under the tariff? Why shouldn't it be with our American dollar worth one dollar when we ship foreign and when it takes five Japanese yen to make an American dollar when they ship to us? Do you know, Mr. Garner, that Japanese salmon is offered on the Pacific Coast at 65¢ per dozen cans when Pacific Coast production costs are \$1.00 a dozen? Do you know that imports of pulp and paper alone to the three Pacific Coast states in 1932 from debased currency nations displaced one day of labor for one million Americans? Did you know that great manganese mines are locked by Nature's trees and shrubs because convict-mined manganese flows into Atlantic coast steel ports? Did you know that New Zealand and Danish butter can hurdle the 14c tariff, pay its 6,000-mile freight and still undersell the American product? If you need proof, you'll find it in the customs records, in tied-up American ships, side-tracked American freight trains, scuttled fisheries, frozen finance, silent industries, foreclosed farms, ruined business houses and the undernourished bodies of 120,000 unemployed workmen in Washington state alone.

Mr. Garner, why will our leaders stand so close to the forest that they can't see the trees? Why will they pander to foreign financial gods, bend the knee of alien idols and turn thumbs down when American humans ask legislative protection so they can WORK and provide milk for their starving babies?

Frankly, sir, if the Pacific Coast states seceded from a Union which has failed them in a crisis, and became part and parcel of Japan, we would be better off commercially than under the present lack of protection. At least our currencies would be equal, and trade would ebb and flow instead of the Pacific ocean being a one-way street. It would, too, prevent the Pacific Coast from being attacked by Japanese naval vessels operating out of the Philippines which a gracious congress has practically tossed into their laps.

You say, sir, that depreciated currency is too important to pass at the short session. You make rather a bizarre observation, sir. If it is important, it SHOULD pass at this session, and if any inequalities present themselves, correction of them can come later. Any doubt should be in favor of the United States.

Enemies of the currency legislation style the Hill and Crowther bills as "tariff boosts." This is unkind and untrue. The Hill and Crowther bills actually do not level a penny impost on foreign currency. They simply level the value of currency at the port of entry. They make the foreign dollar and the American dollar twins for the purpose of trade, and retain the element of international competition exactly where it would be if free trade existed.

The entire Pacific Coast is calling for a show of hands at Washington, D. C. Our leadership is either going to line up under the depreciated currency flag of foreign nations, and stand under the awning of international bankers, international lobbyists and fawning diplomats, or stand shoulder to shoulder with American industry, American fisheries, American mining, American farming, American business and American human beings.

Mr. Garner—legislation filling the milk bottle for the tiniest undernourished tot of any unemployed American workman means more to the successful future of the United States of America than all the attitude of kings, dictators and emperors.

You have called an Armistice, Mr. Garner. You have delayed return of prosperity by delaying the Hill and Crowther bills. But the fight will go on.

There is no Armistice with starvation.

ASKS REMOVAL OF O'BRIEN

The Bellingham Chamber of Commerce has sent the following telegram to President Hoover relative to Chairman O'Brien's opposition to the plan to enact legislation that will correct the depreciated currency situation:

"The testimony of Robert L. O'Brien, chairman of the tariff commission, before the ways and means committee, with reference to currency depreciation, shows him to be either an enemy of American industry, agriculture and labor, or else grossly incompetent, and he should be removed."

"Of course, American prices are adapting themselves to foreign prices, and industries and agriculture are on the brink of ruin, tottering there, holding their breath, in hopes of relief by legislation passed at this session of congress.

"Most businesses are operating at a tremendous loss. Relief must come soon or we are lost."

"The loss to American industry and labor is only an atom compared with the infinite number of walls foreigners can open into which they can pour their cheap goods, made with cheap labor, into our country. We cannot meet foreign competition, with their depreciated currencies, and keep our American people living as Americans."

"Our industries, commerce and agriculture cannot survive without protection against this devastating trade weapon."

"We need honest and intelligent Americans to head our tariff commission, and every thoughtful citizen should rise up and demand removal of such a man as Robert L. O'Brien."

AMERICA'S GREAT STRUGGLE TO BECOME SELF-SUFFICIENT

If the American Chemical Industry Could Be Freed From Foreign Domination,
Why Not the American Pulp and Paper Industry?

THE DRAMATIC story of the struggle to prevent the establishment of the chemical industry in the United States was vividly presented before the United States Senate a few days ago by Senator Henry D. Hatfield.

Readers who examine his statement and the accompanying correspondence will recognize the same type of opposition from similar powerful interests endeavoring not only to prevent further development but also to stifle the present domestic pulp and paper industry.

The following is quoted from Senator Hatfield's address as reported in the Congressional Record (the italics are our own):

"In 1914, throughout the breadth and length of this country, we could find no semblance of an organic chemical field. On the other hand, we had a substantial development of inorganic chemical production. In the main, we were wholly dependent at that time upon foreign sources for practically all of our dyes and pharmaceuticals. The shortage of dyes alone, at one time during the World War, threatened the shutdown of the textile industry of this country.

As a Member of the United States Senate I rejoice that those days of 1914 have gone forever, and that progress has reached the point at which we can supply virtually every chemical needed.

I rejoice at the contents of a letter which I recently received from the Chemical Foundation setting forth that today we are free from foreign influence for every necessary commodity, with virtually only five exceptions. These five are coffee, tea, tin, rubber, and sisal, and, in my opinion, it need not be absolutely essential within a few years for any one of these five to be imported.

At this point, Mr. President, I desire to have the clerk read, as a part of my remarks, a letter recently received from the American Chemical Foundation which contains an array of facts on our progress that depicts our chemical status at present and paints a future that will be brilliant if untrammelled by interference on the part of foreigners, our international bankers, or a shortsightedness on the part of our National Congress."

The Vice President. Without objection, the clerk will read.

The legislative clerk read as follows:

THE CHEMICAL FOUNDATION,
New York City, January 6, 1933.

HON HENRY D. HATFIELD,
Senate Office Building, Washington, D. C.

DEAR SENATOR HATFIELD: The American chemist is delighted today to be able to assure the Congress of the United States that they may decide the foreign debt question, or any other foreign question, absolutely free of any dependence on the outside world for any necessity of national life, national health, agriculture, or defense. In these days of criticism, it is a pleasure to assure you that this independence is due to the united efforts of the Congress of the United States, our educational forces and the support of all the people, with the exception of our international bankers who have been at all times the enemies of American chemistry and have loaned over \$200,000,000 of the savings of the American people to foreign competitors in their efforts to destroy our progress.

Let us look for a moment at the records:

Here was read a letter dated March 6, 1915 to William J. Bryan, then Secretary of State, from H. A. Metz, in which it was stated that Dr. Adolph Haeuser had cabled that further shipments of dyestuffs from Germany were impossible. Dr. Haeuser, the letter says, "wrote the letters directing what Germany wanted in a tariff policy" and was later made the head of all the various chemical and dyestuff manufacturers in Germany. The letter concludes that unless an agreement could be reached with Germany, their precautions to prevent their products reaching consumers in enemy countries would make United States manufacturers suffer as much as those of belligerent countries.

A report dated March 13, 1915, stated that "the stock of dyes in this country is so small that by a German embargo about 4,000,000 American workmen might be thrown out of employment."

The letter from the Chemical Foundation continued: "This was our condition of servitude in 1915. Today, under the fostering of Congress, we are able to supply 90% of our consumption of dyes on which in 1929 sixteen billions of American production was dependent, and in case our imports were ended our production of dyes would be ample to supply all our needs."

Speaking of control by foreign governments of production or exportation of certain raw materials essential to our progress, the letter refers to the monopolies over rubber, coffee, nitrates and iodine, potash, long-staple cotton, silk and sisal in 1926. It then points out how today the chemical industry is free from all dependence on foreign sources except for coffee, tin, tea and sisal, and says, "This is an independence possessed by no other country in the world, and it is the object of destruction by world cartels, assisted by our so-called American international bankers."

The Chemical Foundation letter concludes with, "Remember the concluding lines of Oliver Goldsmith's great poem, *The Deserted Village*:

"Aid slightest truth, with thy persuasive strain
Teach erring man to spurn the rage of gain;
Teach him that states of native strength posses,
Tho' very poor, may still be very blest;
That trade's proud empire hastens to swift decay,
As ocean sweeps the labour'd mole away;
While self dependent power can time defy,
As rocks resist the billows and the sky."

"May we not add reproach of the *Deserted Village* to that of the forgotten man."

Senator Hatfield continued his address, endorsing the "Buy American" policy, and in passing, referring to an editorial which said, "To a question on tariffs, Abraham Lincoln is said to have replied that he knew very little about the tariff, but that he did know that when we bought steel rails abroad, they had the money and we had the rails, but when we bought steel rails

in America, this country had the rails and the money also." He demanded that legislation be speedily enacted to prevent the continued dumping of foreign products into our markets, and said (we quote from the Congressional Record again):

The Congress of the United States, after the war-time developments due to the shutting off of foreign chemicals and the license control act after the war, gave protection to the chemical industry.

Mr. President, while the American chemical industry is making possible our industrial and agricultural independence from foreign monopolies, the continuance of this independence lies entirely within the control of the Congress.

By way of illustrating the effect of one particular chemical element in everyday life, let us cite the developments in fixed nitrogen, or that form of nitrogen directly available for plant growth. In 1915 we were solely dependent for our supply of sodium nitrate on imports from Chile. Notwithstanding the many millions of dollars that our Government spent in that period, up to 1920, in the development of nitrates, we were still dependent to a large extent upon importations from Chile. Since that time astounding progress has been made in the establishment and greater growth of an American synthetic nitrate industry. As a result of this expansion to a capacity of nearly 1,000,000 tons per annum, we are now in a position to supply the entire American requirements.

Already shipments of certain forms of fixed nitrogen are coming in from Japan, which has resulted in forcing the closing of one of our plants on the Pacific Coast. Unless Congress speedily finds a way to prevent the continued dumping from this source, there is no hope of resuscitating the nitrogen industry on the Pacific Coast.

The new iodine industry, a new chemical development, with plants at Los Angeles, Calif., and Shreveport, La., now producing one-fourth of all the iodine used in America, is also threatened by the dumping of foreign-produced iodine into our country.

Mr. President, we are the only nation in the world which permits foreign nations to dominate and control its domestic affairs. We are the only nation in the world which permits international bankers to exploit its people. We are the only creditor nation in the world which permits its debtors to attempt to dominate its domestic affairs and to openly flout the collection of debts honestly due it.

The Chancellor of the Exchequer of Great Britain, only a few days ago in a public statement, said they would appoint representatives of their government to advise with officials of the United States on the question of war debts on condition that no other subject be discussed. And, Mr. President, Great Britain owes us not only billions of dollars in money but is under an obligation to us which they never can repay in money. I well recall the days of 1914 and 1915, when Great Britain was appealing to her cousins across the Atlantic, first for credit, then for munitions, then for money, then for the manhood of America to save her from the devastating effects of control by the Hun. Our reward is to be told by this representative of Great Britain that unless we submit to the conditions laid down by the debtor our markets will be flooded by the products of Great Britain, made possible by the further depreciation of currencies of that country. Bear in mind if you will, Mr. President, that Great Britain was the country which, through the voluntary depreciation of her currency, made it possible or necessary for other countries to abandon the gold standard. Through the depreciation of her currency Great Britain has lowered the production costs and prices of her exports 30 to 40%.

Mr. President, a year and a half ago our international bankers tried to lead the American people to believe that foreign nations were forced off the gold standard due to the foreign debts owed to America and American citizens. In other words, at that time they attempted to intimidate, yes, to force an American Congress to transfer to the backs of the American people the war costs of the European nations.

Now, Mr. President, from the mouths of the representatives of the English Government, from the public utterances of their leading bankers, we learn the truth as to why England and other foreign nations went off the gold standard. They went off the gold standard for the sole purpose of forcing an American Congress to take action detrimental to the welfare of the American people, and they told us as late as last week that if we have not had enough, they will further add to the destruction of American industries by the further depreciation of their currency.

Mr. President, the English Government and other foreign nations openly admit that their reason for going off the gold standard and debasing their currency was in order to ship the products of foreign labor into the American market at costs which are below the costs of American production, thus destroying our industries.

Depreciated currency, in other words, Mr. President, is a tool or a weapon to force the cancellation of debts owed to America and to transfer these debts to the backs of the already overburdened American taxpayer.

ANDREW JACKSON'S "AMERICA FIRST" DOCTRINE

Andrew Jackson, in the year 1828, when a member of the Senate in addressing that body upon a protective tariff measure then being considered said:

"It is time, sirs, we should become a little more Americanized, and instead of feeding the paupers of England feed our own people, or else in a short time we will become paupers ourselves."

ENEMIES OF DEPRECIATED CURRENCY LEGISLATION

The opposing influences to depreciated currency legislation are:

1. **The importers.** Strongly organized. Their influence is evident in the framing of the tariff regulations, which favor the importer, putting the burden of proof on the domestic manufacturer who cannot get consideration from the tariff commission until the crime is committed.

2. **Foreign lobbyists:** Includes the foreign embassies, working with well equipped organizations, propagandists, and provided with unlimited funds. Some of these embassies do not hesitate to attempt to influence legislation.

3. **American manufacturers with plants in foreign countries:** With large investments in plants in Canada, South America, Europe and Asia, producing goods with cheap labor which they want to sell in the United States.

4. **Academic internationalists:** Includes college professors, supported by funds of Carnegie Endowment, pacifists and idealists.

5. **International Bankers:** Holders of foreign bonds, etc., who say foreign countries can't pay their debts to the U. S. unless they are allowed to ship their goods in here. Our answer to that is they want the American manufacturer and American workmen to pay their debts.

6. **The American Newspaper Publishers Association:** Membership composed of most of the daily papers of the United States. This association strongly opposed depreciated currency legislation last year, because of purchases of newsprint in foreign countries. Some progress has been made in inducing more broad-minded publishers in various parts of the country to back currency legislation at the present session of Congress, who realize that any saving they may make in newsprint is more than offset by losses in patronage through the industrial decline in their communities.

The name of this organization should be changed to "The International Newspaper Publishers' Association."

THEY GET US COMING and GOING

**Pertinent
Paragraphs
From Commerce
Reports**

Editorial Note—The boldface lines are our own. These extracts are all from one single issue of the government publication "Commerce Reports".

CANADA—The drop in exports (1932), 19 per cent, was substantially less than the decline in imports, 28 per cent. (Since the suspension of gold payments by Great Britain in September, 1931, dutiable imports from that country have been valued, for tariff purposes, at par value of the pound sterling; imports from the United States, of a class or kind made in Canada, have been valued at par of exchange plus the discount on Canadian funds, which has ranged between 10 and 15 cents during the year.)

AUSTRALIA—Imports were at a relatively high level during the closing months of the year, but the share coming from the United States was much less than in former years, due largely to adverse exchange. The Australian pound was worth only \$2.62 in November compared with a mint par of \$4.8666, making it necessary for the Australian importer to pay a premium of almost 50 per cent for exchange when purchasing American goods.

CHINA—The United States held first place in China's total foreign trade during 1932, but increased competition from countries off the gold standard may tend to make future business more difficult.

NEW ZEALAND—With a view to stimulating exports the Government, over the protest of the banks, increased the discount rate for telegraphic exchange transfers on London from £110 to £125 per £100 sterling, effective January 20. Other rates will be raised accordingly. This action places Dominion exporters on an equal footing with those of Australia, where the discount rate has been £125 per £100 sterling for many months. The cost of all imported goods will be increased immediately as it now will take £125 instead of £110 to purchase £100 (sterling) worth of imported goods. Imports from the United States are not expected to be affected seriously by this action, as they were already confined largely to goods which could not be obtained elsewhere.

BRITISH MALAYA—Low sterling exchange continues to hamper the importation of American goods. While a distinct demand for many American commodities prevailed in 1932 and several firms reported definite orders in hands, exchange rates made the landed cost of some American goods almost prohibitive, particularly, in the case of articles competitive with British or Japanese products. Japanese goods, boycotted by Chinese firms during the first half of the year, later entered in increased quantities, due to very low original prices and the further advantage of low exchange rates.

NETHERLANDS—Those industries which depend on foreign markets for a fair part of their turnover, particularly the heavy industries, felt the depression worse than those working primarily for the home market. For the latter, competition was more intense not only from those export industries which were forced to turn to the home market but also from foreign manufacturers, especially those in countries with depreciated currencies.

JAPAN—The Japanese market for American sound films is not as profitable as formerly due to the difficulty of proper adaptation to Japanese audiences, to competition from Japanese producers, and to falling exchange rates.

PORTUGAL—Government departments and public utilities must give preference in their purchases to "national products", meaning the products that are grown, extracted, or manufactured in Portuguese territory. Railway companies must purchase equipment from Portuguese manufacturers when the cost of the national product does not exceed that of similar foreign articles by more than 10 per cent.

EXCHANGE RESTRICTIONS—Probably the outstanding obstacle to the export credit man during the past year was that of exchange restrictions; exporters have found it very difficult—almost impossible—to get their money because of these restrictions in various foreign countries. These include, in Latin America, Argentine, Brazil, Chile, Colombia, Ecuador, Uruguay, Paraguay, Bolivia, Costa Rica, and Nicaragua. In Europe those affected include Austria, Hungary, Greece, Yugoslavia, Czechoslovakia, Denmark, Estonia, Germany, Rumania, and Latvia.

For Sale—PATRIOTISM

Wanted to Buy—FOREIGN NEWSPRINT

WE HAVE INDICTED the press on the charge of "Patriotism for Revenue Only." The principal product they sell is patriotism. The only product they buy, they buy abroad because they can force a lower price playing foreign newsprint against domestic newsprint.

The newspapers have deliberately fostered the development of foreign mills employing foreign labor with American capital in competition with American labor. It is significant that in spite of lack of tariff protection from lower wage standards abroad and in spite of the deliberate practice of newspapers to play foreign newsprint producers against domestic manufacturers, the domestic industry has been able to successfully compete in the world markets, and employ thousands of American laborers.

Now the newspapers have seized upon the opportunity of cutting the price of their newsprint by buying from countries with debased moneys.

Newspapers Create Unemployment

In opposing all attempts to correct the maladjusted exchange rates they are permitting foreign countries to wield an unfair money exchange leverage ruinous to many of our industries. In other words, by seeking to maintain this price leverage and save a few dollars on the purchase of newsprint, they not only throw thousands of men out of employment in the mills and woods, wipe out the capital invested in the newsprint mills and allied industries, but they are likewise destroying most of our other basic industries supporting the communities in which the newspapers have thrived. Their policy is most short-sighted in their own interests.

Current quotations on newsprint are \$45.00 per ton, a reduction of \$5.00 per ton having been made on November 28, 1932 by British Columbia producers to Pacific Coast newspaper publishers. American producing organizations were naturally forced to meet this price at once. The reduction meant a loss of about \$2,000,000.00 gross revenue for Coast mills alone in 1933.

From this standpoint, newspapers can buy American made newsprint as cheaply as Canadian, but the fact is that eastern Canadian mills are quoting prices still below these; Swedish mills around \$32.00 per ton; Japanese quotations are still lower. American mills cannot possibly compete against these prices. Newspapers can save money by buying foreign made newsprint. That is why the indictment "Patriotism for Revenue Only."

International Paper Co. is said to have been shipping about 1,000 tons a month to the Pacific Coast at \$2.00 less than the established coast figure. This represents surplus production of the Newfoundland mill, and is practically dumped in the heart of the Coast newsprint industry.

Exporters of Jobs and Dollars

American newspapers are spending \$112,170,000 (1931) yearly for foreign newsprint, and only \$63,687,000 (1931) for American paper. Total value of im-

ports of paper, wood pulp and pulpwood amounted to \$197,824,000 in 1931. For years American publishers have engaged in exporting American dollars in this way, and with them the jobs of thousands of American citizens. Our newspapers are providing employment for thousands in Canada, Sweden, Norway, Finland and Japan, while our cities are crowded with idle men.

In ordinary circumstances, American mills are able to compete in price with foreign mills, despite our higher standard of living. The present dilemma has been brought about by the depreciation of the currencies of competing countries. The American manufacturer gets \$45.00 per ton for his newsprint. The Canadian manufacturer also gets \$45.00 per ton, but in American gold dollars which when converted into Canadian money amounts to \$35.21 per ton. Their currency depreciation of 18.5% gives them that much trade advantage. To meet this situation, the American mill must meet the low price and run at no profit, or a loss, or completely shut down.

If the situation continues, a complete cessation of American newsprint manufacture will likely result, and the newspaper publishers will then be dominated by foreign sources of paper. Thus their present policy of saving a few dollars at the expense of American people and industry, will ultimately react against them.

Further, in exporting their orders for newsprint, publishers reduce their own markets for circulation and advertising through adding to the unemployment which already injures them.

Potential American Production Large

According to Lockwood's directory there are 34 newsprint mills in the United States and 29 in Canada. The capacity of the United States mills is 5,738 tons daily; of Canadian mills 12,376 tons daily; Newfoundland mills 900 tons daily.

Normally the United States produces about 4,500,000 tons of wood pulp annually and imports nearly 2,000,000 tons. Forests of this country hold stands of timber capable of supplying all the pulpwood requirements of this country, yet because of lower production costs, lower standards of living, lack of tariff protection and largely because of debased currency advantages, the United States buys about 1,500,000 cords of pulpwood worth \$15,000,000; and 2,400,000 tons of paper worth \$150,000,000. Fifty-four out of every hundred cords of pulpwood cut to meet the paper requirements of the United States are cut in foreign forests by foreign workmen, and 85% of this is processed into pulp and paper in foreign mills and exported to this country.

A report by the United States Forest Service says: "The present stand of timber in the continental United States amounts to 1,668 billion board feet . . . the present volume of cordwood amounts to nearly 2,400 million cords, or nearly 30 times the quantity of fuel-wood and pulpwood cut annually from our forests . . . The tendency in pulp and paper manufacture, as in other forms of wood utilization, is toward increase in the

PACIFIC PULP & PAPER INDUSTRY

number of species regarded as suitable, with a consequent enlargement of the potential volume of pulpwood supplies."

There is no duty on newsprint or wood pulp or pulpwood coming from Canada or any country. Congress put newsprint on the free list in 1913. Canadian expansion immediately began to take place. American producers were able to compete in the open duty-free market until foreign producing nations went off the gold standard and their currencies depreciated. Before the war, the United States was making 2/3 of our newsprint. Now it is making 1/3. The industry is being strangled by free newsprint from abroad and the unfavorable rate of exchange which gives foreign producers advantages of from 15 to 60 percent and enables them to sell at prices ruinous to American mills.

Problem Nation-wide

An inquiry recently was made concerning shipments of newsprint from Pacific Coast mills to Great Lakes cities. As far as this is concerned, West Coast mills cannot compete because of freight rates; but eastern mills cannot even compete profitably because of the low Canadian prices quoted, made possible by their debased currency. The question is nation-wide with the pulp and paper manufacturers; it is not a local Pacific Coast matter.

Right in the state of New York there are newsprint mills which are shut down, mills which are able to furnish the requirements of newspapers in Buffalo and other cities but which cannot operate because of lower labor costs, etc., in Canada and their low value money. The International Paper Co., owning plants both in the United States and Canada, are operating their Canadian mills, employing Canadian labor, reaping the benefits of depreciated Canadian currency, while their United States plants are idle. Newspaper publishers and such manufacturers doing business together, manage to save themselves a few dollars and at the same time ruin the sixth greatest American industry in all parts of the nation, as well as creating unemployment on a wholesale scale.

That is why we indict the press on the charge of "Patriotism for Revenue Only."

LOGGING WILL START

—at Neah Bay, possibly in April, for the Washington Pulp and Paper Corporation of Port Angeles. Operations will be small to start with, and will be carried on in reservation timber which is nearly all hemlock from medium to small size.

Logging will be done entirely by gas equipment, consisting of several gas donkeys and three or four tractors. The entire operation is to be extremely flexible, so as to employ whatever method is most economical in each logging show. In favorable weather the tractors and arches will handle the long haul logs. The tractors will operate with drum units in wet weather. Rough topography will be handled by the gas donkeys. Where there is a short haul, the logs will be cold-decked to the track with light drum units.

Loading will be done with a tunnel type loader, similar to the conventional jammer, except that the logs will be heeled in loading. The company is building this unit at the present time.

To open up the timber, about five miles of railroad is being built. The present logging camp quarters are being added to in order to provide accommodations

for the 125 men who will be employed. About 100,000 feet per day will be logged.

They plan to peel the logs in the woods by hand, as far as is practicable. To some extent, selective logging will be engaged in, defective trees and those of uneconomical size being left in the woods. The peeled logs will be delivered to the water by rail, which comes out at the Sail River on the straits, and will then be rafted to Port Angeles.

Don S. Denman, general manager of timber operations for the Crown Zellerbach Corporation, is in general charge of the operations. In charge at Port Angeles is Phil A. Henderson, superintendent of the timber department of the Washington Pulp and Paper organization. Harold P. Miller, formerly chief engineer at the Cathlamet operations, is logging superintendent at Neah Bay. The logging engineer is Harold Goodrich.



WALTER S. HODGES

—Pacific Coast Representative since 1926 for the Appleton lines of wires and felts and the American Wrecker Co., has rounded out his line of machine clothing by having taken on, January 1, the Asten Asbestos Dryer Canvas, now manufactured in Philadelphia by the Asten-Hill Manufacturing Co.

These people formerly covered the Coast through sending one of their men twice a year, but felt that the importance of the territory warranted their having representation here. It will also be of interest to the supporters of the "Buy American" movement to know that Asten-Hill report an appreciable increase in business since moving the manufacture of this felt from Belgium to the United States.

Mr. Hodges, on February 1, moved his office from the Lewis Bldg., in Portland, to 600 North Front Street, the offices of the Willamette Iron and Steel Works.

GEORGE C. McNAUGHTON

—is now connected with the Everett Pulp & Paper Co. of Everett, Wash., as superintendent, taking the position left vacant by the death of Frank Killien. Mr. McNaughton has had a number of years' experience with several large Eastern plants manufacturing grades similar to those made at the Everett plant. More recently he was connected with the Georgia Pulp & Paper Laboratory at Savannah, Ga.

S · A · F · E · T · Y +

+ be careful — first, last, always

• • •

How Does Good Foremanship Help Safety?

Properly directed work commonly is considered a mark of good leadership and more productive of results than the methods followed by the "driver" type of foremen. The ability to maintain plant equipment, provide for a constant supply of stock for efficient production, and detect and correct unsafe conditions and practices promptly; also indicates good leadership. In some plants, in addition to being responsible for finding and removing accident hazards, foremen are expected to report unsafe practices of their workers, and a form is provided for this purpose.

Furthermore, a foreman's willingness to discuss safety features of the job with his men tends to promote the feeling of group responsibility for preventing accidents. Occasionally, jobs or repairs develop which demand unusual and immediate attention. In these instances, the refusal of foremen to permit work to be done in an unsafe manner serves to emphasize the extent of his interest in safe operating methods. Such instances also serve as opportunities to display good foremanship, especially when hazardous work is involved. In some cases, foremen plan jobs in advance to assure safe methods.

PULP AND PAPER MILLS IN THE STATE OF WASHINGTON

Statement of Accident Experience for December, 1932

Company—	Hours Worked	Total Accidents	Frequency Rate	Days Lost	Severity Rate	Standing
Puget Sound Pulp & Timber Co., Everett	49,304	0	0	0	0	1
Grays Harbor Pulp & Paper Co., Hoquiam	42,409	0	0	0	0	2
Fibreboard Products Inc., Port Angeles	17,360	0	0	0	0	3
Crown Willamette Paper Co., Camas	206,032	3	14.6	223	1.082	4
Everett Pulp & Paper Co., Everett	38,040	1	17.2	16	.276	5
Columbia River Paper Mills, Vancouver	48,714	1	20.5	26	.534	6
Weyerhaeuser Timber Co., Longview	34,478	1	29.0	30	.870	7
Longview Fibre Co., Longview	99,471	3	30.2	18	.181	8
National Paper Products Co., Port Townsend	61,400	3	48.9	26	.423	9
Inland Empire Paper Co., Millwood	40,271	2	49.7	61	1.515	10
Fibreboard Products Inc., Sumner	16,083	1	62.2	12	.746	11
Puget Sound Pulp & Timber Co., Bellingham	23,088	2	86.6	12	.520	12
Rainier Pulp & Paper Co., Shelton	53,424	6	112.3	46	.861	13
Washington Pulp & Paper Co., Port Angeles	49,214	7	142.2	115	2.337	14

The following mills did not report—Pacific Straw Paper & Board Co., Pacific Coast Paper Mills. The following mills not in operation—Tumwater Paper Mills; St. Regis Kraft Co.; Puget Sound Pulp & Timber Co., Anacortes; Shaffer Box Co., and Everett Pulp & Paper Co. (West Tacoma Plant).

PACIFIC PULP & PAPER INDUSTRY

WATAB PAPER COMPANY
SABATEL, MINN.

January 30, 1933

MR. MILLER FREEMAN, President
Pacific Pulp & Paper Industry
Seattle, Washington

DEAR MR. FREEMAN:

I want to express my appreciation of the efforts which you have been making on the depreciated currency matter. You certainly deserve a lot of credit from the entire paper industry.

If you will allow me to make a suggestion to you, I would like to suggest that in all the arguments which you have used I believe that you have overlooked one or two that are of vital importance. The first is that when the Tariff Reciprocity Act between Canada and the United States came into effect, the reciprocity only worked in one direction, and that was for Canada, and even today American paper mills are unable to ship newsprint into Canada without paying a duty, I believe of 20% to 25%, whereas Canadian products are shipped into this country without any duty. The second item is that the argument of the American Newspaper Publishers Association is that the equipment of the United States' mills is not sufficient to take care of the American newspaper publishers. I think that you should not let this statement go unchallenged, for with present equipment and fair prices there is sufficient American production that could be turned into newsprint in sufficient quantities to supply a majority of the American newspaper publishers.

I hope that you will continue to keep up the good work. You are certainly getting results and maybe something will come from the movement after all.

Yours very truly,
WATAB PAPER COMPANY.
By C. H. PHIPPS, Sales Manager.

A PERTINENT FACT

—has been overlooked or perhaps purposely avoided by opponents of currency equalization; that is, paper converters who buy foreign pulp and who oppose any move for protection against the devastating debased money competition on the grounds that their converting business would be injured and their labor consequently affected, fail to reveal the fact that the manufacturing costs in pulp are nearly all labor, while the production costs in paper are nearly all chargeable to capital investment.

It being generally agreed that the re-employment of our unemployed is one of the major problems to be overcome in our search for better times, which merits the greater consideration, capital investment or labor?

This question is aptly answered by a prominent executive of the pulp and paper industry. Major Watson Eastman, president of the Hawley Pulp and Paper Co., in a statement recently issued to this journal. It follows:

MORE EMPLOYMENT A NECESSITY

All sections of this country that have large numbers of men out of employment must do everything possible to put these men back into gainful occupations. Doing so in any given vocation will stimulate and improve all other work and business in general throughout the whole country. Because of the present low value of foreign money in comparison with ours thousands in this country are now without work who would be employed if the above condition did not exist.

It is natural that there should always be a differing opinion as to how much if any protection a given industry should rightfully expect. The industries making products where labor is the greater part of their

costs are the most important from an employment point of view. Pulp is in this classification.

The items of cost in pulp production per ton including materials which labor produces added to the pulp making labor are by far the greater part of pulp's total cost or selling price. It is a mistake to class carefully manufactured pulp as a raw material because raw materials are largely those products requiring little labor to produce.

One of the chief costs of pulp making is wood which provides labor for farmers, loggers, railroads and boats and all other material used in pulp is largely labor. The cost in labor to produce a ton of common paper from pulp is only a small fraction of the labor cost for pulp ton production.

Anyone who will take the time to check the above statements will find them correct and conclude that an industry whose costs are mostly labor is worth keeping at home.

HAWLEY PULP AND PAPER COMPANY
Watson Eastman, President

BOYCOTT OF FOREIGN GOODS DANGEROUS
SAYS ECONOMIST

Now that the administration of the United States government promises to be so largely influenced by University professors, their utterances become of increasing importance.

Dr. B. F. Haley, Dean of the School of Economics of Stanford University, in a statement appearing in the Daily Commercial News of San Francisco, Feb. 3, emphasized the need for continued expansion of foreign trade and denounced the trade isolation movement now being projected through the "Buy American" campaign.

The Stanford economist applied the rules of international trade that have proved an unfailing barometer of success or failure in foreign markets.

"Even if the crudely nationalistic aims back of the campaign were desirable," says Dr. Haley, "the proposed program is a foolish means to the end."

It would be exceedingly interesting to know Dr. Haley's remedy for the present situation, brought about by the flood of imports from foreign countries having depreciated currencies that are ruining our domestic markets, shutting down our factories and throwing millions out of employment.

UNITED STATES IMPORTS OF CHEMICAL PULP
Short Tons—Based on Commerce Reports

	Sulphite		Eleven Months	
	November	1932	1931	1931
Unbleached	71,292	67,062	494,734	558,512
Bleached	32,076	35,726	318,370	335,661
Total	103,368	102,788	813,104	894,173
Finland	13,479	18,324	106,745	111,597
Germany	6,782	6,441	84,555	75,707
Norway	13,688	4,625	85,238	28,212
Sweden	41,826	41,069	289,473	358,204
Canada	19,454	29,390	211,020	286,259
Other Countries	8,139	2,939	36,073	34,104

	Sulphate		Eleven Months	
	November	1932	1931	1931
Unbleached	38,118	66,048	309,963	356,110
Bleached	1,966	1,937	23,451	22,597
Total	40,084	67,985	333,414	378,707
Finland	5,328	12,239	47,191	56,666
Norway	2,108	629	13,646	3,944
Sweden	29,392	50,523	232,011	262,215
Canada	2,977	4,485	38,771	54,306
Other Countries	279	109	1,795	1,576

UNITED STATES PUBLISHERS

—are enabling another Canadian paper mill to operate, employing 300 men full time, and creating additional employment by increasing the cut of pulp wood 10 per cent. At the same time, American mills are shut down and American workmen unemployed all around the newspapers which go merrily on their way.

The following is noted in another paper journal:

Toronto, Canada, January 16, 1933.—At the end of the present month the news print mill of the E. B. Eddy Company, Hull, Que., will resume full-time operation. Several large contracts have been secured with United States publishers, which will bring production up to about thirty thousand tons a year, the capacity of the plant. Workers in the mill, which number about three hundred, have been on a three-and-a-half-day week, but will now be engaged full time. A 10% increase in the cut of pulp wood in the Gatineau limits was announced by the Eddy Company a few months ago. This was in anticipation of the new contracts which have now been entered into and call for an extra annual output of ten to fifteen thousand tons a year. It is understood that the company's volume of business was much better last year but, owing to lower prices, the difference in income will just about meet the returns made by the company during the previous year.

Let us repeat—at the same time, American mills are shut down and American workmen unemployed all around the newspapers which go merrily on their way.

A GOOD MOVE STARTS IN MAINE

In a letter to Miller Freeman, publisher of this journal, from Stuart B. Copeland, vice-president and general manager of the Eastern Manufacturing Co., Bangor, Maine, makers of writing paper, is enclosed an article from the Feb. 11 Bangor Daily News in which its publisher, Fred D. Jordan, asks the American Newspaper Publishers' Association to rescind its action in opposing contemplated depreciated currency legislation.

Mr. Copeland calls attention to this article and recommends that individuals in every locality get their newspapers to "recognize the fairness of this stand, and the real importance to them of aiding industry in its fight for existence against the current foreign invasion."

Opposition of the newspaper association will be quickly withdrawn if a sufficient number of publishers register their demand for such action, as asked by Mr. Jordan's article.

Mr. Jordan warns of the dangers for newspapers that oppose correcting legislation because of a "selfish desire to buy newsprint paper at a low price." He takes the stand that it will not profit the publisher to buy his newsprint cheaper if, in the process of bringing about a lower price, he is contributing to the ruin of the American industries, agriculture and business on which he is absolutely dependent for his income; that no publisher can prosper beyond the degree of the general prosperity of his community.

Every reader should ask his local newspaper not only to support depreciated currency legislation, but also to demand that their association withdraw its opposition.

THE PORT ANGELES

—Chamber of Commerce is carrying a series of advertisements in California magazines emphasizing the importance of the coast pulp and paper industry, and pointing out that it is to the interest of California publishers to use Northwest newsprint.

It points out that in Washington alone, the industry has an investment of \$105,000,000; that the affiliated companies operating on the Olympic peninsula have an investment of \$35,000,000; that these companies have spent \$90,000,000 for wages, supplies and materials in the past six years, practically all expended on the Pacific Coast. It goes on to show that because of the unlimited supply of raw material, the basic character of the products, it is a permanent industry, normally employing thousands of workers; that these workers ordinarily buy large quantities of California goods, but their buying power is now curtailed due to subnormal level of operations.

One of the recent advertisements says, in part:

"The enormous trade balance in favor of California is indicated by these figures covering the years from 1922 to 1931 inclusive, of merchandise shipped through the Port of Seattle by water alone: Imports from California, 21,670,158 tons, valued at \$925,952,366. Exports from Washington to California during the same period were only 2,195,513 tons, valued at \$174,830,288. This enormous amount of California merchandise was paid for by the wages of Washington workers, 65% of whom are employed directly or indirectly in the pulp, paper and timber industries.

"To buy newsprint from Washington producers helps you by giving buying power to the workers in that industry . . . who return the money quickly to your community, to your manufacturers and producers who gain profits as a result. Your profits from advertising lineage, both local and national, depend largely on the prosperity of your local businesses, and therefore on the normalcy of earnings of the people of your neighboring state. This message is not to be taken as an appeal for sympathy. It is a cold statement of fact. Its stronger urge is to your soundest, most seasoned judgment. It represents a simple, rapid way for you to benefit a great neighboring state. Your cooperation is your investment in profits for yourself, in business for the State of California and in friendship for thousands of neighbors who have every reason to hope for and expect your cooperation."

*When your local paper shouts
at you:*

"BUY AMERICAN"

*just ask it whether it buys its
news print in the United States.*

T·R·A·D·E · T·A·L·K

of those who sell paper in the western states

+++

S. C. KNODE

—New York, vice-president of The Albermarle Paper Manufacturing Co., was on the Pacific Coast in January and February calling on his firm's distributor, the Zellerbach Paper Co. at its Los Angeles, San Francisco and Seattle offices. The plant of the Albermarle company is at Richmond, Va.

C. J. ALLAIR

—San Francisco, Pacific Coast representative of the A. P. W. Paper Mills, returned February 2 from a swing around the eastern cities, which included a visit at his firm's mill at Albany, N. Y. Mr. Allair reported the plant running 90% capacity and said December, 1932, was one of the best months ever enjoyed by his San Francisco office.

A. P. W. manufactures paper towels and tissues and on the coast its line is jobbed by Blake, Moffitt & Towne in San Francisco and Portland; Tacoma Paper & Stationery Co., Tacoma; Taverner & Fricke and Southern California Disinfectant Co., Los Angeles, and Schwabacher Brothers, Seattle.

MARCUS ALTER

—San Francisco, president Commercial Paper Corporation, announces his firm is now distributing cockle finish "Sheerleaf Onion Skin" paper, manufactured by the Chemical Paper Manufacturing Co., Holyoke, Mass. Commercial also handles "Myriad" onion skin, also made by the Chemical firm. Mr. Alter says the Commercial firm is putting out new sample cases for the convenience of its customers.

D. L. MAXWELL

—Pacific Coast representative of The Tissue Co., and E. B. Skinner, mill representative of the Martin Cantine Co., have enlarged their joint offices in the Robert Dollar Building, San Francisco, to take care, they say, of the increasing business.

Mr. Maxwell says the consumption of paper towels, one of the items his company manufacturers, is not increasing and one of the reasons is that many restaurants have gone back to linen napkins because the cost of laundering has come down.

THE HELLMAN MATCH CO.

—to provide another outlet for Pacific Coast chip board and other paper products, is being organized in Los Angeles to manufacture paper match books. One of the younger members of the well-known southern California family of Hellmans is organizing this firm. Louis A. Colton, San Francisco, vice president and director of purchases of the Zellerbach Paper Co., San Francisco, says these book matches are made entirely of paper, except for the chemicals used for ignition. There is no other paper match factory on the coast, he says.

WILLIAM PICKERING

—San Francisco, Pacific Coast representative of the Dupont Cellophane Co., left late in January on an annual eastern trip. Before leaving the coast, Mr. Pickering said he had heard nothing to confirm rumors that Dupont planned to erect a cellophane plant in the west.

H. G. GASSETT

—has been made manager of the San Jose, Calif. branch of the Zellerbach Paper Co., succeeding Philo K. Holland, who has been transferred to an executive position in the Los Angeles Zellerbach offices. Mr. Gassett's father was one of the founders, years ago, of the old San Jose Paper Co., which later was bought by the Zellerbach Paper Co.

C. L. ALBERTSON

—has resigned as manager of the wrapping paper department of the Los Angeles offices of the Zellerbach Paper Co., after having served 15 years with that firm.

C. H. CRYSLER

—of the National Mat and Board Co., a newly organized converting company of Los Angeles, was calling on the trade in San Francisco in January.

M. KRUGER & CO.

—San Francisco, manufacturers of shipping supplies such as corrugated boxes and cartons, have recently expanded. Having consolidated with the Royal Carton and Excelsior Co., it has been necessary to take larger quarters, and the company is now located at 1700 Folsom Street, where approximately 50,000 square feet of floor space is occupied. A complete stock of packing room supplies is carried, which include wooden, corrugated and fibre cases as well as wrapping paper, tape and twine. M. Kruger & Company are also exclusive distributors for Western Paper Excelsior Company for all types of shredded paper. This concern has been established here for many years and operates one of the largest and most modern plants of its kind in the United States. A branch office is maintained in Oakland.

AMONG THE VISITORS

—who called on Louis A. Colton, San Francisco, vice president and director of purchases, Zellerbach Paper Co., in January, were E. J. Becker of the Deshler Broom Factory of Deschler, Neb., and Charles L. Skelly of the Lee Hardware Co. of Salina, Kansas. The Zellerbach company handles brooms in many of its outside offices. The Lee Hardware Co., Mr. Colton says, is a leading specialist on padding compositions.

BEN LEVISON

—San Francisco paper mill representative, announces he has just taken on the Pacific Coast agency for W. C. Hamilton & Sons, Miquon, Pa., manufacturers of fine papers.

ARTHUR W. TOWNE

—Blake, Moffitt & Towne, San Francisco, has been named chairman of the executive committee of the San Francisco Paper Trade Conference; W. B. Reynolds, General Paper Co., is the new chairman of the fine paper committee, and Walter Busse, Blake, Moffitt & Towne, is head of the coarse paper committee. H. Arthur Dunn was reelected secretary of the conference.

VICTOR E. HECHT

—San Francisco, vice president of the Zellerbach paper Co. and director of sales promotion work on fine papers, was in Los Angeles early in February on a business trip.

A WHOLESALE PAPER DEPARTMENT

—has been installed in the Pioneer Grocery Company of Salem, Ore. Z. N. Agee, for 17 years connected with the Zellerbach Paper Company, and for several years manager of the local branch of that company, is manager of the new venture.

Fine and coarse papers and stationery will be carried by the company whose territory embraces the district south of Salem and north of the California line this side of the mountains.

O. A. HOLSTROM

—coast manager for the Strathmore Paper Co. and its allied firms, the Rising Paper Co. and the Old Colony Envelope Co., died suddenly Jan. 13 at the Carter-Rice offices in San Francisco. His secretary, E. F. Shaffer, is operating the office pending the appointment of a successor to Mr. Holstrom.

CHARLES A. MORDEN

—retired general manager of the Portland Oregonian, and well known to paper people on the coast, died January 28. He was the father of Charles Whitney Morden, former president of TAAPI. His funeral, held Jan. 30, was attended by many of his friends in the paper trade.

PACKER SCOTT CO.

—of Oregon has joined the Pacific Coast Paper Trades Association. Nearly all of the Portland houses are now members, and an effort is being made to line them up 100 per cent.

TWO OFFICIALS

—of the Pacific States Paper Trade Association went east late in January as delegates to the National Paper Trade Association convention at the Hotel Pennsylvania, New York, February 13, 14 and 15. They were Harold L. Zellerbach, president of the coast body and president of the Zellerbach Paper Co., and Arthur W. Towne, vice-president of the Pacific States organization and an official of Blake, Moffitt & Towne. Mr. Zellerbach left January 26 and Mr. Towne on February 1. H. Arthur Dunn, San Francisco, secretary of the coast association, says he doesn't think any other westerners will be at the national meeting.

THE TRADE RELATIONS COMMITTEE

—of the Pacific States Trade Association met at San Francisco January 9, with representatives of wrapping paper mills to discuss trade customs and problems.

After full discussion of various matters, it was decided to meet on January 10, with all jobbers in the San Francisco area. President Harold L. Zellerbach presided, and reviewed all of the deliberations of the committee at the various meetings held during recent months.

Jobbing Centers

A complete list of jobbing centers recognized by the mills was announced, as follows: Northern California—Bakersfield, Eureka, Fresno, Modesto, Oakland, Sacramento, San Francisco, San Jose, Santa Rosa, Stockton, Watsonville. Nevada—Reno. Southern California—Bloomington, El Centro, Fullerton, Glendale, Long Beach, Los Angeles, Pasadena, Pomona, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Ana, Santa Barbara, Santa Maria, Ventura. Northwest: Washington—Aberdeen, Bellingham, Centralia, Everett, Hoquiam, Okanogan, Olympia, Pullman, Seattle, Spokane, Tacoma, Walla Walla, Wenatchee, Yakima. Idaho—Boise, Lewiston, Moscow, Nampa, St. Marys, Wallace, Weiser. Oregon—Albany, Astoria, Baker, Bend, Corvallis, Eugene, Klamath Falls, La Grande, Marshfield, Medford, Ontario, Pendleton, Portland, Salem and The Dalles.

Trade Customs

The following definitions have been ratified and approved by all concerned on the Pacific Coast:

Paper Jobber or Wholesaler:

A paper jobber or wholesaler is any firm, corporation, or individual having an initial investment in regular stock sizes of wrapping paper and/or bags purchased in not less than carload lots, or such other quantity as established by the mills to entitle the buyer the lowest price for that quantity, from which any quantity, large or small, can and will be sold; in fact, a general distributor for manufacturers.

Converter:

A converter is a manufacturer who uses and purchases paper in quantities of not less than 5,000 pounds in single deliveries, to be used as a material in the production of articles for resale.

Basis Weights of Bags:

In the interest of standardization, all Pacific Coast mills announced that bag basis weights had been established, with disinterested test to be made periodically under the supervision of the Western Bureau of Standards, of which Mr. Nils Teren is chairman.

1. There will be a tolerance of 5% from the established basis weights.

2. There will be no restricted Mullen test on any No. 1 grades of Sulphite or Kraft. On No. 2 grade the maximum Mullen test will be 70%, average 65%. Paper for white bags is also subject to Bureau tests. Each mill will furnish the Bureau out-turn sheets for testing purposes.

The Trade Relations Committee will not meet prior to the Del Monte convention in May, unless called in an emergency by the president.

A joint meeting of all jobbers and mill representatives located in the San Francisco area will be held Wednesday, March 15, 1933, at 1:30 P. M., at the San Francisco Commercial Club. This will be an open meeting to which all are invited. Those desiring to list subjects for discussion may address H. Arthur Dunn at 311 California Street, San Francisco, Calif.

PACIFIC PULP & PAPER INDUSTRY

A NATIONAL ECONOMIC COUNCIL

The suggestion is being made that with the many grave questions confronting industry and production throughout the country and which will come before Congress this year, there should be formed a special organization with headquarters in Washington, to be provided with a staff of the most competent men possible to obtain, for the purpose of intelligently dealing with all legislative problems.

Every sort of "ism" and theory is going to be protected by enthusiastic advocates both in Congress and out. No doubt these advocates will attempt to impose their doctrines on industry and production willy nilly.

The past methods of handling these questions through professional lobbyists, attorneys, representatives of chambers of commerce or industrial associations will not suffice. Washington is so full of this class of representatives they are falling all over each other and working at crosspurposes.

The sensible course of action would be to set up a distinctive organization, with a capable staff under proper control, and working on a predetermined plan, with each member of the staff having his work definitely laid out for him as to what he should do and should not do.

This organization should be composed only of persons concerned with one common purpose, that of promoting only American interests.

Individuals, concerns or associations having any connection with foreign interests should be kept out.

The plan, once agreed to, should be supported by all. No independent representatives, lawyers, or lobbyists should be allowed to interfere or meddle with the program.

Such an organization, properly formed and equipped with an experienced, capable staff, would undoubtedly command the respect of Congress. It would, moreover, be warmly welcomed by business enterprises and industry generally. Finally, the expense of such an organization would be found materially less than under the scattered, uncontrolled and costly efforts that have heretofore prevailed.

WHY CANADA DOLLARS FELL

Many have wondered, in the Inland Empire and western Canada, why the Canadian dollar is going down. A special Washington informant gives this explanation:

Canada is already actually, though not nominally, off gold. The British success in taking South Africa off gold, and the further depreciation legislatively imposed by New Zealand, have strengthened the pressure on Canada to let her dollar go lower. The Bennett government, however, is fighting the move and has given informal assurances in Washington that there will be no legal change in the currency status. The sterling group is now waging an aggressive battle on all fronts, to strengthen the British hand in the debt negotiations.

The dairy industry of Washington, Idaho, Montana and Oregon has a special concern in the New Zealand declaration. Miller Freeman of Seattle, former publisher of farm journals, warned dairymen in Monday's Spokesman-Review. He quoted a national weekly of January 30, reporting that the premier of New Zealand had said in a public statement, that to help the New Zealand farmers, he had debased the money of that country to beat competition in the markets of the world.—Spokane Spokesman-Review.

DR. INAZO NITOBE

—the distinguished Japanese statesman and scholar who has been touring America for the purpose of "interpreting" Japan and the Japanese policies through a series of addresses to commercial and civic bodies, has been calling attention to the large factor of trade with that country, and particularly the large purchases of cotton she has been making from the United States.

The fact is that Japan, like other nations, buys cotton where she can get it the cheapest.

Because of the more favorable terms now obtainable from other countries whose currencies have been depreciated, she has transferred a considerable share of her cotton orders to those countries.

Since Japan has so pointedly reminded us of the value of the trade at this time when it is planned to have Congress pass a law correcting the differential in foreign exchange which is now of such tremendous advantage to Japan, it is just as well to as pointedly remind Japan that the United States is her largest customer for her silk.

J. J. HERB

—president of the Westminster Paper Co., Ltd., recently returned from a trip to New Zealand, Australia and the Orient, accompanied by Mrs. Herb. They sailed from Seattle to Honolulu, visited Fiji and Suva, and then went on to New Zealand, stopping at Auckland, Wellington, Napier and Hastings. In Australia, they visited Sidney, Melbourne and Brisbane, and then traveled on to Manila, Hong Kong, Shanghai, Kobe and Yokohama.

PAPER MAKER GENTLEMAN

—is the new house organ of the Hurlbut Paper Company, South Lee, Mass., the first issue of which was published in January. The publication is planned to be not only a house organ, but also to show the effective use of various high grade papers, different processes of printing and attractive typographical treatments. It also includes samples of their new papers.

The first issue contains a historical sketch of paper-making in South Lee, a description of their early paper-making processes, facts concerning the pioneers who became prominent there in the paper industry, and a summary of the present organization and mill.

The Paper Maker Gentleman is edited by Ralph M. Snell. Future issues will contain, in addition to news of their papers, agencies and policies, illustrated articles on the history of paper-making in the United States.

THE BUREAU OF THE CENSUS

—has recently released preliminary figures showing the value of production in various industries in the United States during the year 1931, as reported by the establishments engaged primarily in these industries. In the 1931 census, the printing and publishing industries are shown as taking first rank with an output valued at \$2,220,326,900. This is a decrease of 20 per cent in the value of product, but an advance in rank, first place in 1929 having been held by the wholesale meat packing industry with an output valued at \$3,443,654,100.

The manufacture of paper and paper boards, valued at \$684,971,200 in 1931 ranked fourth in importance of value of product as compared with sixth place in 1929. During the latter year, however, the actual value of product was greater by 29 per cent.

WISE CALIFORNIA PUBLISHER

Once in a while we are heartened to find a newspaper publisher who has had the foresight to retire from the clatter of the editorial rooms and the chatter of the business office long enough to sit down and figure out which side his bread is buttered on.

From Ontario, Calif., comes word of one such. The publisher of the "Daily Report" buys his newsprint in Washington and Oregon, instead of saving \$2,000 a year by patronizing Swedish producers. Silly? Not at all. He realizes that the State of Washington alone imported in 1930 (by water alone from the port of Los Angeles) some \$14,000,000 worth of California goods, while Sweden imported only \$83,541 worth. In the same year Sweden shipped \$1,217,881 worth of pulp and paper into Los Angeles, 15 times as much as all the California products they bought.

But read for yourself, what the "Daily Report" had to say editorially:

"Why should the Daily Report buy American-made paper when we can buy equally good Swedish newsprint at \$18 a ton less than we now pay for the American product—and thus make a neat saving of \$150 to \$180 every month of the year?

"We have answered that question to our own satisfaction. We refuse now, and have consistently refused, to buy Swedish newsprint even though it means a saving of \$2,000 a year to us, because we prefer that our money shall be used to give employment to papermill workers in Oregon City, Oregon, and in Port Angeles, Washington, instead of mill workers in Sweden.

"It is a selfish decision, pure and simple. We believe that our money spent for paper in Oregon and Washington has a much better chance of getting back into southern California in a much shorter time than has that same money spent in Sweden. We believe that the people in Oregon City and Port Angeles are quicker to buy California products than are the people in Sweden, that they are more likely to come down here to stop at our hotels and buy meals in our cafes and ice cream sodas in our drug stores and gasoline at our filling stations than are the people in Sweden.

"We are simply foolish enough to think that we have a better chance to get that money back in our own pockets again if we don't send it so far away from home. And while it's away, we are just interested enough in our fellow Americans and in their having jobs that we prefer our newsprint money be used for American wages instead of for Swedish wages.

"These reasons may not be convincing to everyone who hesitate between an American and a foreign article, but they are sufficiently strong to make us willing to pay a fat premium for an American-made product that is no better in quality.

"The man who asked yesterday, 'Why should I buy American light globes when I can buy Japanese globes at 4 cents each?' need only indulge in a little study to answer his own question. In the first place, his foreign globe uses considerably more current. But far more important is the effect of such a buying tendency on his own business.

"Today this man bemoans the fact that more people do not buy his services. Why is that true? Partially, at least, because hundreds and thousands of people are out of work—due to the failure of this man and many others like him, to buy from American factories that employ these people.

"Can we expect manufacturers to send out salesmen to stop at our hotels, or to provide wages for workers

to buy our oranges and grapes and electric irons, or to spend freight money with our railroads, when we buy a product made in Japan in preference to the same product made by that American manufacturer? Money spent in Japan or in Sweden or in France takes a long time to return to America.

"We have nothing against those foreign nations and their products. We have no desire to see their industries close and their workmen idle. But if it must be theirs or ours, can they blame us for wanting to protect our own business and our own people?

"Most of these foreign nations are good customers of ours, but they buy ONLY those American products that are not in competition with their own. Remember that. Every other nation in the world shows a marked preference in its buying for its own products. One of the things wrong with American business and unemployment is that Americans aren't smart enough and loyal and selfish enough to show a similar preference for the products of this country."

PACIFIC COAST PAPER MILLS

—of Bellingham, Wash., carried out one of the most outstanding and striking advertising and merchandising successes of the year in 1932. The company, which manufactures M. D. Toilet Tissue, initiated their advertising campaign in March, 1931, with a test run in Bellingham. This was later extended to Seattle and carried on under the guidance of the advertising experts, Botsford, Constantine & Gardner.

In one of the worst cut-price markets in the country, M. D. Tissue consistently maintained a stabilized selling price. According to the advertising agency, the three horsemen of business are responsible for this success, namely—maintained dealer profit, quality, and consistent advertising.

A survey made in Seattle in December, 1932, showed that among independent grocery stores, the first brand, a 5¢ seller, got 20.6% of the dollar volume business, after one year of advertising. M. D. Tissue had 19.5% of the business; the third brand 12.5%, and so on down the line. Private labels had 32.2% of the volume. Among independent drug stores, M. D. Tissue ranked first, with 33.6% of the business; the second brand had 12.6%; the third brand 10.2%, etc. Private labels constituted 33.5% of the business.

This strong hold on local business is regarded as a real achievement for the mill's sales department and their advertising agency.

A TENTATIVE PROGRAM

—for the Fourteenth Annual Convention of the American Pulp and Paper Mill Superintendents' Association has been arranged by the committee in charge. This convention will be held June 8, 9 and 10 at Green Bay.

Among the subjects to be covered by papers at the convention are the following:

"Nip Pressures with Rubber Covered Suction Rolls", "Lubrication of Ball and Roller Bearings", "Acid Circulation", "Pitch", "White Water Utilization", "Micarta Bearings", "Zinc Pigments in the Paper Industry", "Lubrication of Reduction Gears", "Chromium in the Pulp and Paper Industry", "Unemployment Insurance", "New Steel Compositions and Their Relation to the Paper Industry", "New Development in Paper Machinery", "Safety", "New Methods of Cooking Sulphite", "New Uses and Future Uses of Paper".

PACIFIC PULP & PAPER INDUSTRY

A PERMANENT LAND AND REFORESTATION POLICY NEEDED

In a letter to the Seattle Times, Dr. H. K. Benson, chief of the Department of Chemistry and Chemical Engineering at the University of Washington, points out that a good deal of the land in Western Washington is more suitable for reforestation than for farming.

Miller Freeman, publisher of this journal, when a member of the Washington state legislature in the 1913 session took a like view when a very determined and well-organized effort was made to induce the legislature to authorize a bond issue of \$30,000,000 for clearing and settling logged-off lands.

It is time that the State of Washington had a survey of its lands made and adopted a program to be definitely followed as a matter of permanent policy. Dr. Benson's letter follows:

Editor The Times:

I note your editorial in Sunday's Times relative to the "back to the land" movement. It is, of course, true that regardless of advancement in culture, science and the other avenues through which civilization moves forward, we always have and always shall, no doubt, derive our living from the conversion of the natural resources of the earth into the commodities which we require.

These natural resources, however, are not evenly and uniformly distributed. It is so with soils. Some twenty years ago I took part in the series of soil surveys of Western Washington and soon found out what every "dirt farmer" already knew, viz., that many of our upland soils in Northwestern Washington will not yield a living to the tiller thereof. Nothing could become a greater tragedy than to drive people onto these lands and force them into an impossible competition with nature. There are, however, valleys and swales scattered among these upland soils that will yield beautifully to agricultural effort. The same is true of the soil areas south of Centralia and Chehalis, where the soils are of sedimentary origin instead of glacial.

The glacial soils are excessively drained and mature, therefore, a limited number of crops unless modified at great expense. They are, however, well adapted to growing trees since the roots of trees do not depend on soil but rather on the spaces beneath the soil. Nowhere in this country would the plan advocated by the incoming President be more profitable than on the glacial hills and uplands of the Puget Sound region. Every square yard of land should be planted to trees, regardless whether the land is privately owned, county owned, state land or federal reserve. Cantonments of tree planters and forest seed gatherers and sowers would furnish the most pleasant and profitable form of pleasant and profitable form of employment at this time that I know of. California is spending \$700,000 in this way this spring and summer.

The public should realize that we are tending toward a cellulose age. The tree will soon be more valuable for chemically manufactured products than for its use in the crude form of lumber. Cellophane is made from wood pulp, and Duco could with little effort be made from our western hemlock instead of cotton linters. From cigars and automobiles to beans and pork, we need these cellulose transparencies.

Don't you think, Mr. Editor, we should wake up and step into the line of what may be duty at first but later surely of great profit?

H. K. BENSON,
Department of Chemistry and Chemical
Engineering.

A SURPLUS OF \$1,000,000

—was distributed to stockholders of the Pioneer Paper Company of Los Angeles, one of the largest roofing manufacturers of the West, according to recent announcement, by Willis G. Hunt, president of the company.

John H. Plunkett, general manager of the company for the past five years, has been elected chairman of the board of the Pioneer Company and president of Flintkote Corporation, a \$20,000,000 concern manufacturing roofing and asphalt products, in which the Shell Oil Company has a large interest. Mr. Plunkett will leave for New York to assume his new Flintkote duties and will also continue in active management of the Pioneer Company, dividing his time between Los Angeles and New York.

THREE JAPANESE COMPANIES

—have merged into one organization which controls 90 per cent of the paper output of Japan. Effective February 1, the Fuji Paper Manufacturing Co., the Oji Paper Manufacturing Co. and the Karafuto (Saga-halien) Industrial Co., the three largest in the country, came into one fold. The new company's output will be about 750,000 tons per year. Its capitalization is 149,900,000 yen.

The new company plans to concentrate on the export field. An American Pacific Coast newspaper is reported to have recently placed a trial order in Japan for newsprint.

ROBERT A. SIPES

—has returned to Oregon City as pulp superintendent for the Hawley Pulp and Paper Co. He is in complete charge of the groundwood and sulphite departments. Mr. Sipes is a man of broad experience in his line. He was formerly with the Hawley mill, and more recently has been with the G. D. Jenssen Co. of New York.

JOHN CRAIG KUHNS

—for the past eight years supervisor of the Whitman National Forest, stationed at Baker, Oregon, has been transferred to the supervisorship of the Snoqualmie National Forest, Seattle, Washington. Regional Forester C. J. Buck, Portland, Oregon, announced recently.

Mr. Kuhns fills the vacancy left by former Forest Supervisor W. G. Weigle, who retires after some 30 years' service with the government. Mr. Kuhns comes to the Snoqualmie with a background of 23 years' experience in government forestry work on six different national forests in the Northwest.

C. E. RIDGEWAY

—of the Puget Sound Pulp and Timber Co., has been elected president of the Everett Chamber of Commerce for the ensuing year. Mr. Ridgeway is highly qualified for this post, having been very active in the past in various community services.

AN EXPERIMENTAL LOG BARKER

—is being installed at Cathlamet, Wash. by the Crown Willamette Paper Co., together with some new chipper. The installation is expected to bark and chip round logs.

DR. RUSSELL PICKENS

—Rayon expert for the Rainier Pulp & Paper Company, Shelton, left recently for the rayon manufacturing centers of the east, planning to be absent about a month in looking over the trade situation in the industry of this country.

WESTMINSTER PAPER COMPANY

—operated its paper specialties plant on the North Arm of the Fraser River at New Westminster at full capacity throughout 1932 and officials report that earnings have been showing steady improvement. The company inaugurated a 4 per cent cash dividend payable October 1, 1932. The dividend is being fully covered by current earnings, it is stated by H. M. Lord, secretary-treasurer, indicating that earnings are well in excess of all charges on the 6½% first mortgage debentures, outstanding to the amount of \$300,000.

While sales in overseas markets have been rendered difficult by the exchange situation the company reports excellent support from the Canadian market, making possible the gradual improvement in earnings position.

Some reduction in prices has had to be faced during the past year but was compensated for by increase volume. The manufacturing plant give employment to about 80 persons.

The last financial statement covered the year ended July 31, 1932, and showed net profit of \$19,970 compared with \$21,336 the previous year. Gross sales for the year amounted to \$485,408. After \$17,993 for discounts and allowances and \$331,150 for costs, gross profit was \$136,265. Interest on investments brought gross income to \$142,481. Administration expense of \$82,210 left profit before depreciation, interest on debentures and Dominion and provincial income tax at \$60,271. After \$15,000 for depreciation \$19,183 for interest on debentures and \$6,158 for income taxes, net profit was \$19,970.

The balance sheet showed current assets at \$138,053 compared with \$167,129 the previous year, the decline being chiefly in accounts receivable. Current liabilities were \$51,967 compared with \$98,937. A bank loan of \$30,000 was wiped out during the year while accounts payable were about \$20,000 less.

J. J. Herb is president; Mayor A. W. Gray of New Westminster, vice-president, and other directors are J. G. Robson, C. S. Henley, F. Wright, F. Smith, Ald. John Pack and S. A. Lake.

A NEW COMMERCIAL STANDARD

—for apple wraps, dry and oiled, is reported in CS 44-32, recently issued by the Bureau of Standards, U. S. Department of Commerce. The new specifications, effective for production Dec. 1, 1932, has been approved by the industry, including the interested Pacific Coast mills.

A representative standing committee was appointed at the general conference on the subject, held last year at Seattle, to receive comments and make recommendations for revision of the standard to keep it in line with current developments. Coast paper mills represented on the committee are the Hawley Pulp and Paper Co., Oregon City; Crown Willamette Paper Co., Camas; St. Helens Pulp and Paper Co., St. Helens; Columbia River Paper Mills, Vancouver, Wash., and California Fruit Wrapping Mills, Pomona.

The JONES SCREEN

Challenges Comparison



*...For example,
consider these few
of its many merits*

By the use of .010" slotted plates, the use of auxiliary centrifugal cleaning equipment is eliminated without appreciably affecting the capacity.

Because of its gentle vibrating action, there is no forcing of stock, thereby allowing the passage of only clean, uniform fibres through the screen slots.

Perfect screening action keeps the slots clean and permits a continuous inflow of accepted stock. Cleanliness and uniformity of the sheet is assured at lower production cost.

It affords most convenient accessibility, making it easy to clean at all times, and requires little attention in its operation and maintenance.

The power needed to drive the screen is very low, a 5 H. P. motor will take care of the most stringent mill conditions.

Capacities up to 6,000 pounds an hour.

In fact, it embodies every improvement to assure the highest efficiency of performance at the lowest cost of operation.

A new, interesting bulletin describing and illustrating the Jones Screen will be gladly mailed to you upon request.

Pacific Coast Supply Co.

Seattle—Portland—San Francisco

Exclusive Pacific Coast Representative for the entire line of paper mill products made by



A name that has won a world-wide reputation through 75 years devoted to paper-making progress

PACIFIC PULP & PAPER INDUSTRY

THE PAPER BOX AND BAG

—industry in Canada for 1930 and 1931 is discussed in a report by the Forestry Branch of the Dominion Bureau of Statistics. Production in 1931 was valued at \$18,668,563 as against \$20,836,150 in 1930. The products manufactured in the order of their importance with regard to value were: Corrugated boxes, \$4,795,173; stiff boxes, \$4,329,188; folding boxes, \$4,016,431; bags, n.e.s., \$1,621,704; self-opening bags, \$1,237,313; fiberboard boxes, \$634,980; envelopes, \$423,520; drinking cups, \$267,222; special bags of glassine, waxed paper, cellophane, etc., \$142,358; mailing tubes, \$104,196; egg case fillers, \$99,181; millinery bags, \$42,365; all other bags, \$29,995; and all other products, including milk bottle caps, soda straws, round board containers, waxed paper, adding machine rolls, bottle wrappers, paper pails, printing, transfer stamps, and mounting displays, \$738,003.

The report gives the production of firms specializing in the manufacture of paper boxes and bags and covers the greater part of the production of these commodities in Canada. There are, however, a number of other firms classified in other industrial groups which make paper boxes and bags as a side line to their principal production.

FOREST MANAGEMENT CONFERENCE

—of western forest interest and the annual meeting of the Western Forestry & Conservation Association, will be held in Seattle, March 22-23, with arrangements for a third day, March 24, if required to accommodate committee or group meetings on the side.

NEWS PRINT PRODUCTION

—in Canada during December, 1932, amounted to 138,682 tons and shipments to 140,770 tons, including an estimate for one company whose exact figures were not reported, according to the News Print Service Bureau's bulletin. Production in the United States was 80,075 tons and shipments 79,002 tons, making a total United States and Canadian news print production of 218,757 tons and shipments of 219,772 tons. During December, 21,704 tons of news print were made in Newfoundland and 902 tons in Mexico, so that the total North American production for the month amounted to 241,363 tons.

Taking the production of the regular news print mills reporting monthly and making necessary year end corrections and adjustments, the total North American output of news print paper in 1932 is calculated to have been 3,198,622 tons, of which 1,907,566 tons were made in Canada, 1,006,569 tons in the United States, 271,804 tons in Newfoundland and 12,683 tons in Mexico. The Canadian output was 14.1% less than in 1931, that in the United States 13.0% less, with a loss of 7.9% in Newfoundland and 16.5% loss in Mexico, making a total continental decrease of 490,446 tons, or 13.3%.

Stocks of news print paper at Canadian mills are figured at 42,337 tons at the end of December and at United States mills 21,783 tons, making a combined total of 64,120 tons compared with 86,913 tons on December 31, 1931.

NORTH AMERICAN PRODUCTION

	Canada	United States	Newfound-land	Mexico	Total
1932—December	138,682	80,075	21,704	902	241,363
12 Mos.	1,907,566	1,006,569	271,804	12,683	3,198,622
1931—12 Mos.	2,221,454	1,157,436	294,983	15,195	3,689,068
1930—12 Mos.	2,504,147	1,282,372	287,259	14,286	4,088,064
1929—12 Mos.	2,728,827	1,392,276	255,501	18,680	4,393,284
1928—12 Mos.	2,381,102	1,417,572	230,745	16,981	4,046,400
1927—12 Mos.	2,086,949	1,485,495	202,852	14,137	3,789,433
1926—12 Mos.	1,881,737	1,684,218	186,471	13,412	3,765,838
1925—12 Mos.	1,522,217	1,530,318	96,588	12,681	3,161,804

JAPAN'S IMPORTS

—of chemical woodpulp in November, 1932, were as follows (amounts stated in lbs.): From Canada, 1,748,400; from Norway, 925,600; from U. S. A., 3,884,933; from Germany, 4,937,867; from Switzerland, 318,266. Total, 11,815,066.

THE DEPARTMENT OF CHEMISTRY

—and Chemical Engineering of the University of Washington is engaged in organizing an extensive program of research dealing with the utilization of the waste liquor of the sulphite pulp mills. This liquor contains in soluble form about one-half of the wood used in making pulp, and at present is not utilized in industry. It is estimated that over two million tons of wood in this waste are washed into rivers and watercourses in the U. S. annually.

While in the East last year Dr. H. K. Benson had requested the detail of several scientists from governmental laboratories to the University of Washington to work on the utilization of this waste at the beginning of this year. The contraction of work on account of the economic program made it necessary to abandon this part of the research. However, through the aid of advanced students and assistants the University has started the work of its own accord.

Dr. Kenneth A. Kobe is conducting an experimental study of evaporation by submerged combustion which promises to greatly reduce corrosion and scale-forming in the usual type of evaporators. He is assisted by Frank H. Conrad and Frank C. Rogers. Dr. Benson has been interested in analytical methods for the determination of lignin, one of the main constituents in the waste liquor, and has been assisted in these studies by O. K. Chapman and J. R. Hendrickson. The work of the latter will be submitted at the June meeting of the Technical Association of the Pulp and Paper Industry as a tentative method for official use by the pulp testing committee.

Two new lines of work are being taken up at the beginning of the present quarter. Working under a grant of the National Research Council of Washington, D. C., Dr. Benson will be provided with the assistance of A. M. Partansky, a graduate student, to make a study of the biochemical decomposition of sulphite waste. In this investigation staff members of the Bacteriology department will also assist. It will extend over a full year and its object will be to study the rate of disappearance of organic matter in marine sediment.

Another new study will be undertaken by R. P. Erwin, a senior in science, who will make a study of the tanning value of the waste liquor. This study will be undertaken by actual tanning and leather making experiments.

It is expected that with improvement of financial conditions in industry, the latter will contribute one or two scientists in this investigation and under more favorable conditions, the cooperation of governmental laboratories is probable.

In his recent book on Chemical Utilization of Wood, published by the National Committee on Wood Utilization, U. S. Department of Commerce, Dr. Benson reviews this whole problem quite fully. He states that this problem is not unsolvable in this country if the procedure of other countries is recognized and if the methods of utilization be rightly coordinated with each mill attempting such a program.

CANADIANS WERE WARNED

—when H. H. Stevens, minister of trade and commerce for Canada, addressed the annual convention of the Canadian Pulp & Paper Association, recently, pointing out that newsprint in 1914 was \$38.60 a ton; today it is \$43.40, and looked at as a ruinous price, this despite mergers, doubling of man production, and other progressive steps aimed at a better financial return.

He said something other than price was wrong with their industry and told them to get busy and find it. Amalgamation of Price Brothers and Consolidated Paper Corporation was said to be the latest proposal in the industry.

EXPORTS OF PAPER

—and paper products from the United States during 1932, according to preliminary figures just made available, were valued at \$15,407,559, a decrease of approximately \$7,000,000, or 30%, compared with exports of the same group during the preceding year. The reduction in value, however, represents the decline in prices and the desire on the part of purchasers for the cheaper grades of paper, as well as an actual falling off in the consumption of paper and paper products. Excluding wall boards, insulating boards, hanging papers, and a miscellaneous group for which tonnage is not shown and which represent only about 20% of these exports, the volume of shipments last year dropped to 198,564 short tons as against 234,173 short tons in 1931, a decrease of 15%.

RALPH H. SHAFFER

—of the Shaffer Box Co., Tacoma, Wash., is the new president of the Tacoma Chamber of Commerce for 1933, having been elected to that post in January.

U. S. IMPORTS OF WOOD PULP

—during 1932, according to preliminary figures, show a decrease of 7 per cent in volume and 23 per cent in value compared with the preceding year. The much heavier decline in value than in quantity reflects fairly faithfully the fall in prices last year, groundwood prices having decreased from an average of \$24 per ton in 1931 to \$19.60 per ton in 1932; unbleached sulphite from \$42.60 to \$33.56; bleached sulphite from \$59 to \$47; kraft pulp from \$35 to \$31; and soda pulp from \$54 to \$41. Only in bleached sulphate pulp were 1932 prices higher, the average for the year working out at \$89 per ton compared with \$76 in 1931. Total importations in this line last year amounted to 1,322,999 tons valued at \$47,003,246, as against 1,425,376 tons and \$60,886,511 in 1931. (Ton referred to is long ton of 2,240 pounds).

The reduction in shipments from Canada and proportionate increase in shipments from European countries to the United States last year is a noteworthy feature in these imports. Thus Canada last year supplied only 86 per cent of our total imports of groundwood as compared with 92 per cent in 1931; 11 per cent of our imports of unbleached and 48 per cent of our imports of bleached sulphite as compared with 16 per cent and 58 per cent respectively in the preceding year; and 6 per cent of our imports of kraft pulp as against 9 per cent in 1931. Canada, however, retained all of our foreign purchases of soda pulp and increased its share in the bleached sulphate market from 68 per cent to 85 per cent of the total.

Be Kind To Your Felts

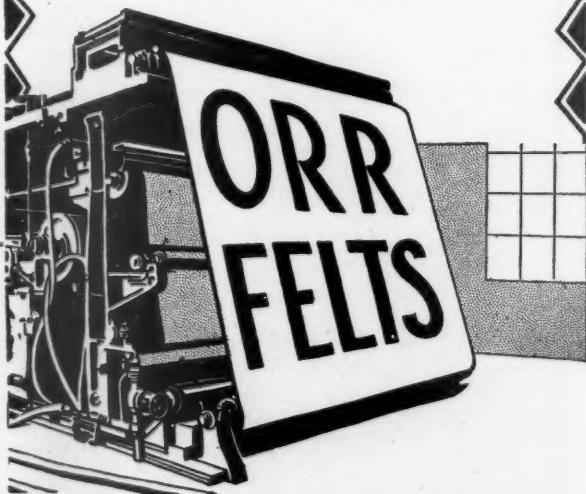
Watch your bearings. A paper machine in good condition is far easier on felts than one with felt rolls out of line and out of level because of worn or broken down bearings.

Check up on your molds, on your felt rolls, on your bottom press rolls, on any and all operating conditions that either directly or indirectly affect the life of felts.

Above all, use ORR FELTS and keep your felt bills under control. Remember that the ORR LINE is complete—the felt best suited to your particular machine requirement available.

Pacific Coast Representative: GEO. S. MEDDIS
1650 No. Point St., San Francisco, Calif.

**The
Orr Felt & Blanket Co.
PIQUA, OHIO**



SULPHUR

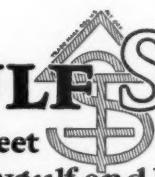
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SULPHITE PULP

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Effort, Not Worry—

Will improve conditions.

Only by consistent, coordinated effort and investigation do we improve our position.

Study your felt cost per ton and resolve to try TENAX FELTS at once and improve cost per ton through improved finish and improved life.

TENAX FELTS in all styles for all purposes.

This wonderful felt is made endless in all lengths consistent with the needs of tomorrow.

No hit or miss methods used in producing this wonderful felt.

NON-USERS ARE THE LOSERS



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ALAN C. DUNHAM, Pacific Coast Representative